

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	422.58	422.58	439.08	439.08	422.58	439.08	16.50
Personal Services	30,426,015	33,828,396	36,048,288	36,903,877	64,254,411	72,952,165	8,697,754
Operating Expenses	7,667,678	8,100,821	9,177,824	9,159,838	15,768,499	18,337,662	2,569,163
Equipment & Intangible Assets	179,822	125,605	125,605	125,605	305,427	251,210	(54,217)
Grants	71,248	0	0	0	71,248	0	(71,248)
Benefits & Claims	530,639	457,800	1,997,329	1,997,329	988,439	3,994,658	3,006,219
Transfers	24,350	0	3,065,954	3,065,954	24,350	6,131,908	6,107,558
Debt Service	9,158	8,875	8,875	8,875	18,033	17,750	(283)
Total Costs	\$38,908,910	\$42,521,497	\$50,423,875	\$51,261,478	\$81,430,407	\$101,685,353	\$20,254,946
General Fund	36,436,807	39,746,252	48,531,678	49,313,409	76,183,059	97,845,087	21,662,028
State/Other Special Rev. Funds	2,352,154	2,649,004	1,765,099	1,819,756	5,001,158	3,584,855	(1,416,303)
Federal Spec. Rev. Funds	119,949	126,241	127,098	128,313	246,190	255,411	9,221
Total Funds	\$38,908,910	\$42,521,497	\$50,423,875	\$51,261,478	\$81,430,407	\$101,685,353	\$20,254,946

Agency Description

Mission Statement: The Judicial Branch's mission is to provide an independent, accessible, responsive, impartial, and timely forum to resolve disputes; to preserve the rule of law; and to protect the rights and liberties guaranteed by the Constitutions of the United States and Montana.

Article III, Section I, and Article VII of the Montana Constitution authorize the Judicial Branch. There are five programs within the branch: 1) Supreme Court Operations; 2) Law Library; 3) District Court Operations; 4) Water Court Supervision; and 5) Clerk of the Supreme Court.

Agency Highlights

Judicial Branch Major Budget Highlights
<ul style="list-style-type: none"> • In total funds, biennial appropriations increased by 21.6%, or \$18.1 million due primarily to approval of funding for: <ul style="list-style-type: none"> ◦ Moving juvenile delinquency intervention and prevention (JDIP) funds and their administration, along with 4.00 FTE, from the Department of Corrections to implement HB 233 ◦ 3.00 FTE information technology positions to support court automation systems that were funded with one-time-only funds in the 2015 biennium ◦ 5.00 FTE to support the Court Help Program that were funded with one-time-only funds in the 2015 biennium ◦ 3.50 FTE to provide minimum staffing for district courts ◦ Elected official pay increases per the statutory salary survey ◦ Increases in fixed costs to address office space provided by the public sector and to purchase services from other state agencies ◦ The 2017 biennium pay plan • Biennial appropriations of general fund increased by 25.2%, or \$19.7 million due primarily to: <ul style="list-style-type: none"> ◦ A funding switch from state special revenue to general fund in the Water Court Supervision Program due to lack of state special revenue cash balance in the natural resources operations state special revenue account ◦ Movement of JDIP funds from the Department of Corrections

Summary of Legislative Action

The legislature approved the branch budget with an increase of \$18.1 million, or 21.6%, over the 2015 biennium. The following items were funded and drove the increase:

- General fund to switch the funding in the Water Court Program because of lack of state special revenue cash balance in the natural resources operations state special revenue account
- An increase in state special revenue from fees assessed to treatment court participants
- Funding for court appointed special advocates

The funding for the JDIP program was moved from the Department of Corrections where offsetting reductions were made. The movement of JDIP funds accounted for more than half of the growth from the 2015 biennium.

The legislature included funding for a 2017 biennium pay plan in HB 2 and allocated the funds to each branch of Montana government. Funding is included for the branch to provide pay increases of \$0.50 per hour beginning on the pay period that includes January 15, 2016 and an additional \$0.50 per hour on the pay period that includes January 15, 2017. Additionally, the state share for employee health insurance increases \$89 per month beginning January 1, 2016 and an additional \$78 per month beginning January 1, 2017. The funding for the 2017 biennium pay plan was included in the HB 2 funding for the Supreme Court Operations Program with language that allows the branch to allocate the funding among programs.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Judicial Branch Funding by Source of Authority 2017 Biennium Budget - Judicial Branch						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	97,845,087	0	0	97,845,087	90.86 %	
State Special Total	3,584,855	0	5,628,886	9,213,741	8.56 %	
Federal Special Total	255,411	0	0	255,411	0.24 %	
Proprietary Total	0	368,594	0	368,594	0.34 %	
Other Total	0	0	0	0	0.00 %	
Total All Funds	\$101,685,353	\$368,594	\$5,628,886	\$107,682,833		
Percent - Total All Sources	94.43 %	0.34 %	5.23 %			

The branch receives the majority of its funding from the general fund. The largest sources of state special revenue is the water adjudication fund, which supports the Water Court. Other sources of state special revenue include fines, fees, and assessments for training events. Federal funds received by the branch support the Court Assessment Program.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	39,258,698	39,258,698	78,517,396	80.25 %	42,033,943	42,033,943	84,067,886	82.67 %
PL Adjustments	2,207,316	3,003,176	5,210,492	5.33 %	2,223,974	3,078,242	5,302,216	5.21 %
New Proposals	7,065,664	7,051,535	14,117,199	14.43 %	6,165,958	6,149,293	12,315,251	12.11 %
Total Budget	\$48,531,678	\$49,313,409	\$97,845,087		\$50,423,875	\$51,261,478	\$101,685,353	

Other Legislation

HB 233 - HB 233 transferred the administration of juvenile placement funds from the Department of Corrections to the Judicial Branch. HB 2 includes the transfer of the funding for the administration, including 4.00 FTE, and for Judicial Branch juvenile placement funds. Refer to new proposal DP 100233 in the Supreme Court Operations program of the Judicial Branch and new proposal DP 500233 in the Youth Services program of the Department of Corrections for the transfer of these functions to implement HB 233.

HB 612 - The legislature established a child abuse court diversion pilot project to use meetings facilitated by a court diversion officer to informally resolve cases prior to the filing of an abuse and neglect petition. The bill authorized the Office of the Court Administrator to administer the pilot project, including:

- Select three judicial districts in which to implement the pilot project
- Hire court diversion officers to staff the pilot project in each of the selected judicial districts
- Establish and measure performance benchmarks

Additionally, the court administrator is required to report to the Law and Justice Interim Committee on the administration and performance of the pilot project. HB 612 included an appropriation for \$300,000 general fund for staff and program administration in the 2017 biennium.

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison	Base Budget	Executive Budget	Legislative Budget	Leg — Exec. Difference	Executive Budget	Legislative Budget	Leg — Exec. Difference	Biennium Difference
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2017	Fiscal 16-17
FTE	422.58	433.58	439.08	5.50	433.58	439.08	5.50	5.50
Personal Services	30,426,015	35,229,934	36,048,288	818,354	35,158,455	36,903,877	1,745,422	2,563,776
Operating Expenses	7,667,678	8,920,494	9,177,824	257,330	8,902,825	9,159,838	257,013	514,343
Equipment & Intangible Assets	179,822	183,067	125,605	(57,462)	184,739	125,605	(59,134)	(116,596)
Grants	71,248	71,248	0	(71,248)	71,248	0	(71,248)	(142,496)
Benefits & Claims	530,639	734,827	1,997,329	1,262,502	734,827	1,997,329	1,262,502	2,525,004
Transfers	24,350	24,350	3,065,954	3,041,604	24,350	3,065,954	3,041,604	6,083,208
Debt Service	9,158	9,158	8,875	(283)	9,158	8,875	(283)	(566)
Total Costs	\$38,908,910	\$45,173,078	\$50,423,875	\$5,250,797	\$45,085,602	\$51,261,478	\$6,175,876	\$11,426,673
General Fund	36,436,807	43,457,266	48,531,678	5,074,412	43,365,866	49,313,409	5,947,543	11,021,955
State/other Special Rev. Funds	2,352,154	1,595,863	1,765,099	169,236	1,599,787	1,819,756	219,969	389,205
Federal Spec. Rev. Funds	119,949	119,949	127,098	7,149	119,949	128,313	8,364	15,513
Total Funds	\$38,908,910	\$45,173,078	\$50,423,875	\$5,250,797	\$45,085,602	\$51,261,478	\$6,175,876	\$11,426,673

The legislative budget is \$11.4 million in total funds and \$11.0 million in general fund higher than the executive request. The main differences are:

- The juvenile delinquency intervention and prevention funds and their administration, including funding for 4.00 FTE, were transferred from the Department of Corrections to the branch to implement HB 233
- Funding was not provided for requests for general fund to continue funding for additional new treatment courts where federal grant funding is expiring or to address cost increases in treatment courts currently funded by the state, except an increase in state special revenue derived from fees assessed to treatment court participants was funded
- Funding for the Court Help Program was approved with 1.00 FTE fewer than requested
- Funding for judicial education was provided at levels \$105,000 per year lower than requested
- Funding, not in the executive budget, for court appointed special advocates was added
- A pay plan for the 2017 biennium was included in HB 2 instead of as a separate bill

Additionally, the legislature approved funding for 3.50 FTE to provide minimum staffing for district courts. This adjustment was not in the executive budget.

Language and Statutory Authority

The legislature included the following language in HB 2:

JDIP Administration - HB 233 is contingent on passage and approval of HB 233.

(Note: HB 233 has become law so this contingency language does not apply and the adjustments in the Supreme Court Operations Program under new proposal DP100233 remain in effect.)

Employee Pay and State Share may be allocated and transferred among agency programs when establishing 2017 biennium operating plans.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	71.75	71.75	84.75	84.75	71.75	84.75	13.00	18.12 %
Personal Services	4,952,371	6,205,218	7,281,672	8,148,445	11,157,589	15,430,117	4,272,528	38.29 %
Operating Expenses	4,531,605	4,601,180	5,803,193	5,796,684	9,132,785	11,599,877	2,467,092	27.01 %
Equipment & Intangible Assets	24,386	8,885	8,885	8,885	33,271	17,770	(15,501)	(46.59)%
Grants	71,248	0	0	0	71,248	0	(71,248)	(100.00)%
Benefits & Claims	490,934	416,800	1,997,329	1,997,329	907,734	3,994,658	3,086,924	340.07 %
Transfers	24,350	0	3,065,954	3,065,954	24,350	6,131,908	6,107,558	25,082.37 %
Total Costs	\$10,094,894	\$11,232,083	\$18,157,033	\$19,017,297	\$21,326,977	\$37,174,330	\$15,847,353	74.31 %
General Fund	9,705,328	10,864,188	17,564,387	18,369,287	20,569,516	35,933,674	15,364,158	74.69 %
State/Other Special Rev. Funds	269,617	241,654	465,548	519,697	511,271	985,245	473,974	92.71 %
Federal Spec. Rev. Funds	119,949	126,241	127,098	128,313	246,190	255,411	9,221	3.75 %
Total Funds	\$10,094,894	\$11,232,083	\$18,157,033	\$19,017,297	\$21,326,977	\$37,174,330	\$15,847,353	74.31 %

Program Description

The Supreme Court has appellate jurisdiction for the State of Montana. The court has original jurisdiction to issue, hear, and determine writs of habeas corpus and other writs provided by law. It also has general supervisory control over all other courts in the state. The Supreme Court is charged with establishing rules governing appellate procedure, the practice and procedure for all other courts, and admission to the bar and conduct of its members. Within the Supreme Court Operations program, the Office of Court Administrator provides centralized services to the Judicial Branch including information technology, budget and finance, payroll and human resource management, policy and technical support for the Youth Courts, judicial education, and services provided through the federal Court Assessment Program related to child abuse and neglect cases. The program also provides staff and other support to constitutionally and statutorily required commissions attached to the Montana Supreme Court, specifically the Judicial Standards Commission, the Sentence Review Board, and the Commission on Courts of Limited Jurisdiction. It also supports activities of the Commission on Practice. Other specialized commissions and task forces - not required by the Constitution and statute but created by the Supreme Court to address specific issues - receive minimal financial assistance with travel expenses and supplies.

Program Highlights

Supreme Court Operations Major Budget Highlights	
<ul style="list-style-type: none"> • Funding increases for this program are primarily to: <ul style="list-style-type: none"> ◦ Annualize the pay plan passed by the 2013 Legislature and provide elected official increases per a statutory survey ◦ Fund the 2017 biennium pay plan ◦ Fund activities of the Judicial Standards Commission ◦ Adjust certain expenditure accounts for inflation ◦ Fund office lease contract increases ◦ Fund information technology staff and the Court Help Program that were budgeted as one-time-only in the 2015 biennium ◦ Transfer juvenile delinquency intervention and prevention (JDIP) funds and their administration from the Department of Corrections per the provisions of HB 233 • The legislature funded the addition of 13.00 FTE, with 3.00 FTE funded as one-time-only, for the following purposes: <ul style="list-style-type: none"> ◦ 3.00 FTE information technology positions to support court automation systems were funded as one-time-only ◦ 1.00 FTE treatment court coordinator for treatment courts funded by the 2013 Legislature but that were only partially expended in the base ◦ 5.00 FTE to support the Court Help Program ◦ 4.00 FTE transferred from the Department of Corrections to administer JDIP funds 	

Funding

The following table shows program funding by source from all sources of authority.

Judicial Branch, 01-Supreme Court Operations Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	35,933,674	0	0	35,933,674	96.66 %	
02151 YthCrt Intervention?evention	343,436	0	0	343,436	34.86 %	
02342 Court Automation Surcharge	706	0	0	706	0.07 %	
02399 Judicial Education Conferences	129,466	0	0	129,466	13.14 %	
02431 Water Adjudication	107,877	0	0	107,877	10.95 %	
02536 Legal Assistance	281,338	0	0	281,338	28.56 %	
02961 State Grants to Drug Courts	122,422	0	0	122,422	12.43 %	
State Special Total	\$985,245	\$0	\$0	\$985,245	2.65 %	
03041 Probation Training Fund	480	0	0	480	0.19 %	
03083 Judicial Education Grant	0	0	0	0	0.00 %	
03136 STATE JUSTICE INSTITUTE GRANT	0	0	0	0	0.00 %	
03153 Court Improvement Prg Grants	0	0	0	0	0.00 %	
03240 COURT ASSESSMENT PROGRAM	254,931	0	0	254,931	99.81 %	
Federal Special Total	\$255,411	\$0	\$0	\$255,411	0.69 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$37,174,330	\$0	\$0	\$37,174,330		

The bulk of the program’s funding comes from the general fund. State special revenue supporting the program include revenue from a portion of the dissolution of marriage fees used to provide civil legal services for indigent victims of domestic

violence (3-2-714, MCA) and fees collected by drug courts. State special revenue from fees charged for training events provides a portion of the funding in support of boards and commissions. Federal funds support the court assessment program.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
	-----General Fund-----				-----Total Funds-----			
Budget Item	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	10,318,531	10,318,531	20,637,062	57.43 %	10,686,426	10,686,426	21,372,852	57.49 %
PL Adjustments	1,625,602	2,431,196	4,056,798	11.29 %	1,678,395	2,539,353	4,217,748	11.35 %
New Proposals	5,620,254	5,619,560	11,239,814	31.28 %	5,792,212	5,791,518	11,583,730	31.16 %
Total Budget	\$17,564,387	\$18,369,287	\$35,933,674		\$18,157,033	\$19,017,297	\$37,174,330	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 510 - Legislative Audit-HB 2 2014 Fixed Costs (Restricted/Biennial)	0.00	45,412	0	0	45,412	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	34,871	0	0	34,871	0.00	34,871	0	0	34,871
DP 516 - Correct State Share Health Insurance	0.00	607	0	0	607	0.00	607	0	0	607
DP 525 - Fixed Cost Adjustment	0.00	481,674	0	0	481,674	0.00	506,205	0	0	506,205
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	1,271	0	0	1,271	0.00	0	0	0	0
DP 527 - Inflation/Deflation Adjustment	0.00	(24,303)	0	0	(24,303)	0.00	(19,568)	0	0	(19,568)
DP 531 - SITSD Rate Adjustment	0.00	65,250	316	0	65,566	0.00	80,694	390	0	81,084
DP 532 - General Liability Insurance Rate Adjustment	0.00	(8,574)	(41)	0	(8,615)	0.00	(8,574)	(41)	0	(8,615)
DP 535 - Program Transfers	0.00	58,103	0	0	58,103	0.00	58,103	0	0	58,103
DP 550 - Motor Pool Rate Adjustment	0.00	(3,527)	0	0	(3,527)	0.00	(3,125)	0	0	(3,125)
DP 590 - Employee Pay and State Share	0.00	434,830	26,901	617	462,348	0.00	1,306,944	80,976	1,832	1,389,752
DP 600 - Elected Official Pay Increase Per Statutory Survey	0.00	105,134	0	0	105,134	0.00	105,134	0	0	105,134
DP 606 - Supreme Court Operations Base Adjustments	0.00	254,174	0	0	254,174	0.00	211,642	0	0	211,642
DP 100001 - Judicial Standards (Restricted/Biennial)	0.00	25,000	0	0	25,000	0.00	0	0	0	0
DP 100004 - Rent Old Federal Building	0.00	8,642	0	0	8,642	0.00	11,317	0	0	11,317
DP 100005 - Annualize Drug Courts Funding	1.00	120,610	0	0	120,610	1.00	120,518	0	0	120,518
DP 100007 - Drug Court Increase to Existing Funding (Restricted)	0.00	0	25,000	0	25,000	0.00	0	25,000	0	25,000
DP 100010 - Information Technology System Maintenance Costs	0.00	26,428	0	0	26,428	0.00	26,428	0	0	26,428
Grand Total All Present Law Adjustments	1.00	\$1,625,602	\$52,176	\$617	\$1,678,395	1.00	\$2,431,196	\$106,325	\$1,832	\$2,539,353

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 510 - Legislative Audit-HB 2 2014 Fixed Costs (Restricted/Biennial) -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as

proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$58,103 in general fund in each FY 2016 and FY 2017 from the District Court Operations Program to the Supreme Court Operations Program including funding for 0.50 FTE from the District Court Operations Program to the Supreme Court Operations Program.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 590 - Employee Pay and State Share -

The legislature approved a pay plan for state employees that provides a \$0.50 an hour raise for employees effective on the first day of the first complete pay period that includes January 15, 2016 and 2017. In addition, the legislature increased the state share contribution towards employee insurance by 10% the first year of the biennium and 8% the second.

DP 600 - Elected Official Pay Increase Per Statutory Survey -

The legislature funded an increase in pay for elected officials per the statutory pay survey.

DP 606 - Supreme Court Operations Base Adjustments -

The legislature approved an unspecified present law adjustment to move operating costs to the 2015 legislative base.

DP 100001 - Judicial Standards (Restricted/Biennial) -

The legislature funded the constitutionally mandated Judicial Standards Commission and designated the funding as restricted and biennial with the funding restricted for the investigations of complaints against judges.

DP 100004 - Rent Old Federal Building -

The legislature funded increases in lease payments for space rented at the Old Federal Building in Helena.

DP 100005 - Annualize Drug Courts Funding -

The legislature funded annualization of three drug courts, including funding for 1.00 FTE, that received funding from the 2013 Legislature, but were only funded for a portion of the 2015 legislative base year due to timing of when the federal funds were no longer available. This funding is for the Adult Treatment Court and Veteran's Treatment Court in the Judicial District 13 and the Treatment Court in Judicial District 19.

DP 100007 - Drug Court Increase to Existing Funding (Restricted) -

The legislature funded an increase derived from drug court fees paid by drug court participants. The funding was restricted only to costs that are supported by drug court participants.

DP 100010 - Information Technology System Maintenance Costs -

The legislature funded increased costs for information technology system maintenance contracts for systems that support branch operations.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100002 - Information Technology Increased Staffing (OTO)	3.00	206,275	0	0	206,275	3.00	205,938	0	0	205,938
DP 100003 - Court Help Program (Restricted)	5.00	295,000	0	0	295,000	5.00	295,000	0	0	295,000
DP 100009 - Judicial Education (Restricted)	0.00	50,000	0	0	50,000	0.00	50,000	0	0	50,000
DP 100233 - HB 233 JDIP Administration Transfer	4.00	5,068,979	171,718	240	5,240,937	4.00	5,068,622	171,718	240	5,240,580
Total	12.00	\$5,620,254	\$171,718	\$240	\$5,792,212	12.00	\$5,619,560	\$171,718	\$240	\$5,791,518

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 100002 - Information Technology Increased Staffing (OTO) -

The legislature approved funding for 3.00 FTE and operating costs to support branch automated court systems. The legislature designated the funding as one-time-only.

DP 100003 - Court Help Program (Restricted) -

The legislature funded the addition of 5.00 FTE and associated operating costs for the Court Help Program. The legislature restricted funding only for costs of the Court Help Program.

DP 100009 - Judicial Education (Restricted) -

The legislature approved funding for judicial education. The legislature restricted the funding only to support costs of judicial education.

DP 100233 - HB 233 JDIP Administration Transfer -

The legislature moved the funding and administration of the juvenile delinquency intervention and prevention funds from the Department of Corrections to the Judicial Branch including funding for 4.00 FTE. This adjustment implements the provisions of HB 233 that generally revised juvenile delinquency laws and is offset by a similar adjustment in the Department of Corrections.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	6.75	6.75	6.75	6.75	6.75	6.75	0.00	0.00 %
Personal Services	362,445	417,170	420,572	420,572	779,615	841,144	61,529	7.89 %
Operating Expenses	404,813	404,305	428,494	428,606	809,118	857,100	47,982	5.93 %
Equipment & Intangible Assets	110,459	88,710	88,710	88,710	199,169	177,420	(21,749)	(10.92)%
Debt Service	9,158	8,875	8,875	8,875	18,033	17,750	(283)	(1.57)%
Total Costs	\$886,875	\$919,060	\$946,651	\$946,763	\$1,805,935	\$1,893,414	\$87,479	4.84 %
General Fund	886,875	919,060	946,651	946,763	1,805,935	1,893,414	87,479	4.84 %
Total Funds	\$886,875	\$919,060	\$946,651	\$946,763	\$1,805,935	\$1,893,414	\$87,479	4.84 %

Program Description

The State Law Library of Montana (22-1-501, MCA) provides access to legal information consistent with the present and anticipated needs, responsibilities, and concerns of Montana's courts, legislature, state officers and employees, members of the bar of the Supreme Court of Montana, and members of the general public. The library selects, acquires, and maintains resources consistent with this mission. The acquisition of more electronic licenses, which frequently replace the hard copies, allows the library to get information to the customer more quickly and to conserve available shelf space for books and other printed material.

Library staff also provides training in legal research methods and access to the Montana court system. The library's web site (www.lawlibrary.mt.gov) has been designed to help Montana's citizens find the statutes, court cases and rules, legal forms, and explanation of the laws they need. 75% of the people the Law Library assists are non-lawyers. The library also operates a Court-Help Center.

Program Highlights

Law Library Major Budget Highlights
<ul style="list-style-type: none"> • Funding changes for this program are primarily to: <ul style="list-style-type: none"> ◦ Fund inflation on library books ◦ Fund fixed costs to purchase services from other agencies ◦ Annualize 2015 biennium pay increases

Funding

The following table shows program funding by source from all sources of authority.

Judicial Branch, 03-Law Library Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,893,414	0	0	1,893,414	83.70 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06019 Law Library Searches/Research	0	368,594	0	368,594	100.00 %	
Proprietary Total	\$0	\$368,594	\$0	\$368,594	16.30 %	
Total All Funds	\$1,893,414	\$368,594	\$0	\$2,262,008		

HB 2 funding for the law library is entirely from general fund. The law library also operates an enterprise type proprietary funded program for which the legislature does not approve rates.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	919,060	919,060	1,838,120	97.08 %	919,060	919,060	1,838,120	97.08 %
PL Adjustments	27,591	27,703	55,294	2.92 %	27,591	27,703	55,294	2.92 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$946,651	\$946,763	\$1,893,414		\$946,651	\$946,763	\$1,893,414	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----				-----Fiscal 2017-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	3,281	0	0	3,281	0.00	3,281	0	0	3,281
DP 516 - Correct State Share Health Insurance	0.00	121	0	0	121	0.00	121	0	0	121
DP 525 - Fixed Cost Adjustment	0.00	1,758	0	0	1,758	0.00	1,847	0	0	1,847
DP 527 - Inflation/Deflation Adjustment	0.00	(89)	0	0	(89)	0.00	(71)	0	0	(71)
DP 550 - Motor Pool Rate Adjustment	0.00	(20)	0	0	(20)	0.00	(15)	0	0	(15)
DP 607 - Law Library Base Adjustments	0.00	22,540	0	0	22,540	0.00	22,540	0	0	22,540
Grand Total All Present Law Adjustments	0.00	\$27,591	\$0	\$0	\$27,591	0.00	\$27,703	\$0	\$0	\$27,703

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 607 - Law Library Base Adjustments -

The legislature approved an unspecified present law adjustment to move operating costs to the 2015 legislative base.

Other Issues

Proprietary Rates

Law Library Searches/Research Enterprise Fund – 06019

Program Description

The law library contracts with an on-line provider for access to a legal database.

Proprietary Rates

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	314.08	314.08	317.58	317.58	314.08	317.58	3.50	1.11 %
Personal Services	22,978,861	24,744,848	25,844,854	25,830,756	47,723,709	51,675,610	3,951,901	8.28 %
Operating Expenses	2,426,256	2,795,714	2,631,713	2,616,434	5,221,970	5,248,147	26,177	0.50 %
Equipment & Intangible Assets	44,977	19,723	19,723	19,723	64,700	39,446	(25,254)	(39.03)%
Benefits & Claims	39,705	41,000	0	0	80,705	0	(80,705)	(100.00)%
Total Costs	\$25,489,799	\$27,601,285	\$28,496,290	\$28,466,913	\$53,091,084	\$56,963,203	\$3,872,119	7.29 %
General Fund	25,358,889	27,452,267	28,405,693	28,376,316	52,811,156	56,782,009	3,970,853	7.52 %
State/Other Special Rev. Funds	130,910	149,018	90,597	90,597	279,928	181,194	(98,734)	(35.27)%
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$25,489,799	\$27,601,285	\$28,496,290	\$28,466,913	\$53,091,084	\$56,963,203	\$3,872,119	7.29 %

Program Description

The District Courts have original jurisdiction in all felony criminal cases, most civil matters and other cases in law, and in equity. These courts may issue all writs appropriate to their jurisdiction and hear appeals from Courts of Limited Jurisdiction pursuant to statutory parameters. The District Courts are also the state's Youth Courts, responsible for managing juvenile probation functions. There are 46 District Court judges in 22 judicial districts serving all 56 counties. The 2001 Legislature mandated state funding of District Court expenses, including salaries and operating expenses for judges and their employees. District Court costs are the largest segment of the Judicial Branch budget.

Program Highlights

District Court Operations Major Budget Highlights
<ul style="list-style-type: none"> • Funding changes for this program are primarily to: <ul style="list-style-type: none"> ◦ Fund the addition of 3.50 FTE to move closer to providing minimum staffing for district courts ◦ Fund inflation on certain expenses ◦ Fund fixed costs to purchase services from other agencies ◦ Annualize 2015 biennium pay increases

Funding

The following table shows program funding by source from all sources of authority.

Judicial Branch, 04-District Court Operations Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	56,782,009	0	0	56,782,009	90.72 %
02141 Youth Court Fees	181,194	0	0	181,194	3.12 %
02151 YthCrt Intervention?evention	0	0	5,628,886	5,628,886	96.88 %
02183 CFSD Pilot Project Coordinator	0	0	0	0	0.00 %
02788 Acc. Cty Sick/Vacation Leave	0	0	0	0	0.00 %
State Special Total	\$181,194	\$0	\$5,628,886	\$5,810,080	9.28 %
03035 clerk of SC Mgt Info System	0	0	0	0	0.00 %
03045 COPS Technology Grant	0	0	0	0	0.00 %
03077 Drug Trmt Court Fed Res 13VTC	0	0	0	0	0.00 %
03078 PROJECT SAFE NEIGHBORHOOD GRANT	0	0	0	0	0.00 %
03114 SMHSA Lewistown Drug Court	0	0	0	0	0.00 %
03165 MISSOULA JAIB GRANT	0	0	0	0	0.00 %
03177 Dawson JAIB Grant Fund	0	0	0	0	0.00 %
03373 Drug Trmt Court Fed Res JD7	0	0	0	0	0.00 %
03699 County Grants/Contracts	0	0	0	0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$56,963,203	\$0	\$5,628,886	\$62,592,089	

The bulk of the funding for District Court Operations comes from the general fund. State special revenue supporting the program comes from court imposed fines and fees. 2015 biennium funding from state special revenue includes county payments to the accrued sick/vacation leave fund made at the time of state assumption of District Court costs. 2017 biennium funding does not include accrued sick/vacation leave funds and is the reason for the funding reduction in state special revenue from the 2015 biennium to the 2017 biennium.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	27,510,370	27,510,370	55,020,740	96.90 %	27,659,388	27,659,388	55,318,776	97.11 %
PL Adjustments	521,577	508,171	1,029,748	1.81 %	463,156	449,750	912,906	1.60 %
New Proposals	373,746	357,775	731,521	1.29 %	373,746	357,775	731,521	1.28 %
Total Budget	\$28,405,693	\$28,376,316	\$56,782,009		\$28,496,290	\$28,466,913	\$56,963,203	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Present Law Adjustments										
DP 515 - State Share Health Insurance	0.00	152,643	0	0	152,643	0.00	152,643	0	0	152,643
DP 516 - Correct State Share Health Insurance	0.00	2,877	0	0	2,877	0.00	2,877	0	0	2,877
DP 525 - Fixed Cost Adjustment	0.00	(2,937)	0	0	(2,937)	0.00	(3,086)	0	0	(3,086)
DP 527 - Inflation/Deflation Adjustment	0.00	149	0	0	149	0.00	119	0	0	119
DP 535 - Program Transfers	0.00	(58,103)	0	0	(58,103)	0.00	(58,103)	0	0	(58,103)
DP 550 - Motor Pool Rate Adjustment	0.00	(20,423)	0	0	(20,423)	0.00	(19,999)	0	0	(19,999)
DP 600 - Elected Official Pay Increase Per Statutory Survey	0.00	525,912	0	0	525,912	0.00	525,912	0	0	525,912
DP 601 - Reduce District Court Assumption Retirement Funds	0.00	0	(58,421)	0	(58,421)	0.00	0	(58,421)	0	(58,421)
DP 602 - District Court Operations Base Adjustments	0.00	257,508	0	0	257,508	0.00	243,857	0	0	243,857
DP 605 - District Court Variable Costs	0.00	(336,049)	0	0	(336,049)	0.00	(336,049)	0	0	(336,049)
Grand Total All Present Law Adjustments	0.00	\$521,577	(\$58,421)	\$0	\$463,156	0.00	\$508,171	(\$58,421)	\$0	\$449,750

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$58,103 in general fund in each FY 2016 and FY 2017 from the District Court Operations Program to the Supreme Court Operations

Program including funding for 0.50 FTE from the District Court Operations Program to the Supreme Court Operations Program.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - Elected Official Pay Increase Per Statutory Survey -

The legislature funded an increase in pay for elected officials per the statutory pay survey.

DP 601 - Reduce District Court Assumption Retirement Funds -

The legislature reduced state special revenue associated with funds transferred to the state during district court assumption used to fund retirement payouts for former county employees. The funds have been depleted and the budget authority is no longer needed.

DP 602 - District Court Operations Base Adjustments -

The legislature approved an unspecified present law adjustment to move operating costs to the 2015 legislative base.

DP 605 - District Court Variable Costs -

The legislature approved a reduction to district court variable costs.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 400 - Court Appointed Special Advocates (Restricted)	0.00	150,000	0	0	150,000	0.00	150,000	0	0	150,000
DP 603 - District Court Minimum Staffing	3.50	223,746	0	0	223,746	3.50	207,775	0	0	207,775
Total	3.50	\$373,746	\$0	\$0	\$373,746	3.50	\$357,775	\$0	\$0	\$357,775

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 400 - Court Appointed Special Advocates (Restricted) -

The legislature provided funding for court appointed special advocates (CASA) based on a rate of \$10 per hour for 1,000 hours, for 15 non-profit CASA organizations across the state. Funding was restricted only for this purpose.

DP 603 - District Court Minimum Staffing -

The legislature funded an elected official request to add 3.50 FTE for minimum staffing of district courts. The funding would add 1.00 FTE law clerks for each Judicial District 14 (Musselshell County) and Judicial District 15 (Sheridan County), 1.00 FTE judicial assistant in Judicial District 11 (Flathead County), and 0.50 FTE judicial assistant in Judicial District 15.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	24.50	24.50	24.50	24.50	24.50	24.50	0.00	0.00 %
Personal Services	1,690,684	1,994,663	2,022,992	2,025,906	3,685,347	4,048,898	363,551	9.86 %
Operating Expenses	260,943	255,382	270,248	273,935	516,325	544,183	27,858	5.40 %
Equipment & Intangible Assets	0	8,287	8,287	8,287	8,287	16,574	8,287	100.00 %
Total Costs	\$1,951,627	\$2,258,332	\$2,301,527	\$2,308,128	\$4,209,959	\$4,609,655	\$399,696	9.49 %
General Fund	0	0	1,092,573	1,098,666	0	2,191,239	2,191,239	0.00 %
State/Other Special Rev. Funds	1,951,627	2,258,332	1,208,954	1,209,462	4,209,959	2,418,416	(1,791,543)	(42.55)%
Total Funds	\$1,951,627	\$2,258,332	\$2,301,527	\$2,308,128	\$4,209,959	\$4,609,655	\$399,696	9.49 %

Program Description

The Water Courts Supervision Program, located in Bozeman, adjudicates claims of existing water rights in Montana pursuant to Title 3, Chapter 7 and Title 85, Chapter 2, MCA.

Program Highlights

Water Courts Supervision Major Budget Highlights
<ul style="list-style-type: none"> • Funding changes for this program are primarily to: <ul style="list-style-type: none"> ◦ Fund inflation on certain expenses and office lease costs ◦ Fund fixed costs to purchase services from other agencies ◦ Annualize 2015 biennium pay increases • The legislature approved a funding switch from state special revenue to general fund due to lack of state special revenue cash balance in the natural resources operations state special revenue account

Funding

The following table shows program funding by source from all sources of authority.

Judicial Branch, 05-Water Courts Supervision Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	2,191,239	0	0	2,191,239	47.54 %	
02431 Water Adjudication	2,377,686	0	0	2,377,686	98.32 %	
02576 Natural Resources Operations SSR Fu	40,730	0	0	40,730	1.68 %	
State Special Total	\$2,418,416	\$0	\$0	\$2,418,416	52.46 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$4,609,655	\$0	\$0	\$4,609,655		

Funding for the Water Court is from a mix of general fund and state special revenue from the water adjudication fund. For the 2017 biennium, general fund replaces most of the state special revenue from the natural resources operations account due to insufficient fund balance.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	2,258,332	2,258,332	4,516,664	97.98 %
PL Adjustments	20,909	24,466	45,375	2.07 %	43,195	49,796	92,991	2.02 %
New Proposals	1,071,664	1,074,200	2,145,864	97.93 %	0	0	0	0.00 %
Total Budget	\$1,092,573	\$1,098,666	\$2,191,239		\$2,301,527	\$2,308,128	\$4,609,655	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	0	11,907	0	11,907	0.00	0	11,907	0	11,907
DP 516 - Correct State Share Health Insurance	0.00	5,832	(5,103)	0	729	0.00	5,832	(5,103)	0	729
DP 525 - Fixed Cost Adjustment	0.00	0	2,321	0	2,321	0.00	0	2,440	0	2,440
DP 527 - Inflation/Deflation Adjustment	0.00	0	(117)	0	(117)	0.00	0	(95)	0	(95)
DP 600 - Elected Official Pay Increase Per Statutory Survey	0.00	11,433	11,433	0	22,866	0.00	11,433	11,433	0	22,866
DP 604 - Water Court Base Adjustments	0.00	0	1,845	0	1,845	0.00	0	4,748	0	4,748
DP 500012 - Water Court Rent Increase	0.00	3,644	0	0	3,644	0.00	7,201	0	0	7,201
Grand Total All Present Law Adjustments	0.00	\$20,909	\$22,286	\$0	\$43,195	0.00	\$24,466	\$25,330	\$0	\$49,796

***Total Funds** amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 600 - Elected Official Pay Increase Per Statutory Survey -

The legislature funded an increase in pay for elected officials per the statutory pay survey.

DP 604 - Water Court Base Adjustments -

The legislature approved an unspecified present law adjustment to move operating costs to the 2015 legislative base.

DP 500012 - Water Court Rent Increase -

The legislature approved funding to address lease cost increases.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 500013 - Water Court Funding Switch	0.00	1,071,664	(1,071,664)	0	0	0.00	1,074,200	(1,074,200)	0	0
Total	0.00	\$1,071,664	(\$1,071,664)	\$0	\$0	0.00	\$1,074,200	(\$1,074,200)	\$0	\$0

***Total Funds** amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 500013 - Water Court Funding Switch -

The legislature approved a funding switch to replace most of the state special revenue from the natural resources operations account with general fund for support of Water Court operations due to insufficient state special revenue funds.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	5.50	5.50	5.50	5.50	5.50	5.50	0.00	0.00 %
Personal Services	441,654	466,497	478,198	478,198	908,151	956,396	48,245	5.31 %
Operating Expenses	44,061	44,240	44,176	44,179	88,301	88,355	54	0.06 %
Total Costs	\$485,715	\$510,737	\$522,374	\$522,377	\$996,452	\$1,044,751	\$48,299	4.85 %
General Fund	485,715	510,737	522,374	522,377	996,452	1,044,751	48,299	4.85 %
Total Funds	\$485,715	\$510,737	\$522,374	\$522,377	\$996,452	\$1,044,751	\$48,299	4.85 %

Program Description

The Office of Clerk of the Supreme Court Program, pursuant to Title 3, Chapter 2, part 4, conducts the business of the court, and serves as the liaison between the public, attorneys, and the Supreme Court. By statutory authority, the clerk controls the docket and filings, manages the appellate process, and is the custodian of all legal records for the public and the court. Additionally, the clerk administers appellate mediation, maintains the official roll of Montana attorneys, and is responsible for licensing Montana’s attorneys. The Clerk of Court is an elected official.

Program Highlights

Clerk of Court Major Budget Highlights
<ul style="list-style-type: none"> • Funding changes for this program are primarily to: <ul style="list-style-type: none"> ◦ Fund fixed costs to purchase services from other agencies ◦ Annualize 2015 biennium pay increases

Funding

The following table shows program funding by source from all sources of authority.

Judicial Branch, 06-Clerk of Court Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,044,751	0	0	1,044,751	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$1,044,751	\$0	\$0	\$1,044,751		

This program is funded entirely by the general fund.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	510,737	510,737	1,021,474	97.77 %	510,737	510,737	1,021,474	97.77 %
PL Adjustments	11,637	11,640	23,277	2.23 %	11,637	11,640	23,277	2.23 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$522,374	\$522,377	\$1,044,751		\$522,374	\$522,377	\$1,044,751	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	2,673	0	0	2,673	0.00	2,673	0	0	2,673
DP 516 - Correct State Share Health Insurance	0.00	729	0	0	729	0.00	729	0	0	729
DP 525 - Fixed Cost Adjustment	0.00	(14)	0	0	(14)	0.00	(15)	0	0	(15)
DP 550 - Motor Pool Rate Adjustment	0.00	(50)	0	0	(50)	0.00	(46)	0	0	(46)
DP 600 - Elected Official Pay Increase Per Statutory Survey	0.00	8,299	0	0	8,299	0.00	8,299	0	0	8,299
Grand Total All Present Law Adjustments	0.00	\$11,637	\$0	\$0	\$11,637	0.00	\$11,640	\$0	\$0	\$11,640

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD

fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - Elected Official Pay Increase Per Statutory Survey -

The legislature funded an increase in pay for elected officials per the statutory pay survey.

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	17.50	17.50	17.50	17.50	17.50	17.50	0.00
Personal Services	1,170,292	1,274,934	1,300,880	1,300,675	2,445,226	2,601,555	156,329
Operating Expenses	705,359	789,953	804,465	804,727	1,495,312	1,609,192	113,880
Equipment & Intangible Assets	17,475	12,779	12,779	12,779	30,254	25,558	(4,696)
Grants	5,467,703	5,930,638	5,371,606	5,371,346	11,398,341	10,742,952	(655,389)
Transfers	604,421	637,956	637,956	637,956	1,242,377	1,275,912	33,535
Total Costs	\$7,965,250	\$8,646,260	\$8,127,686	\$8,127,483	\$16,611,510	\$16,255,169	(\$356,341)
General Fund	2,343,689	2,411,273	2,465,829	2,465,858	4,754,962	4,931,687	176,725
State/Other Special Rev. Funds	113,236	152,830	122,049	122,039	266,066	244,088	(21,978)
Federal Spec. Rev. Funds	5,508,325	6,082,157	5,539,808	5,539,586	11,590,482	11,079,394	(511,088)
Total Funds	\$7,965,250	\$8,646,260	\$8,127,686	\$8,127,483	\$16,611,510	\$16,255,169	(\$356,341)

Agency Description

The Montana Board of Crime Control (MBCC) was established to promote public safety by strengthening the coordination and performance of the criminal and juvenile justice systems. The MBCC is an 18-member board appointed by the Governor. The MBCC supervises the Crime Control Division (CCD), which provides financial support, technical assistance, and support services to state and local criminal justice agencies. The CCD administers a number of federal grants including anti-drug, anti-crime, victim assistance, and juvenile justice programs. The MBCC administers contracts with regional juvenile detention centers that are supported by state general fund and the misdemeanor domestic violence program supported by state special revenue. The MBCC also collects and analyzes crime data from Montana’s law enforcement agencies and publishes the annual "Crime in Montana" report. MBCC is established in 2-15-2006, MCA.

The MBCC has one advisory council, the Youth Justice Council (YJC). YJC develops and implements the state’s juvenile justice plan and recommends educational, training, research, prevention, diversion, treatment, and rehabilitation programs.

Agency Highlights

Crime Control Division Major Budget Highlights
<ul style="list-style-type: none"> • In total funds, biennial appropriations decreased by 5.7%, or \$985,000 due primarily to approval of funding to: <ul style="list-style-type: none"> ◦ Reduce state and federal special revenue from lower federal grant funding availability ◦ Fund fixed costs for services purchased from other agencies at lower levels than recommended by the executive • General fund increases about \$143,600, or 3.0% over the 2015 biennium budget primarily due to funding to annualize pay increases provided in the legislative pay plan and at the agency’s discretion during the 2015 biennium

Summary of Legislative Action

The legislature approved the department budget with a reduction of \$985,000, or 5.7%, from the 2015 biennium. The major factor was a \$1.1 million federal funds reduction in anticipation of lower levels of federal funds availability. Other than the federal funds reduction, the legislature funded most requests and moved the budget to the FY 2015 budget base, except for funding the executive implementation of the legislative pay plan for the 2015 biennium. Fixed costs and inflation were adjusted based on decisions made for rates of services purchased from other agencies and current economic information.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	4,931,687	0	0	4,931,687	30.34 %
State Special Total	244,088	0	0	244,088	1.50 %
Federal Special Total	11,079,394	0	0	11,079,394	68.16 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$16,255,169	\$0	\$0	\$16,255,169	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %		

General fund supports agency operations and grants to regional juvenile detention centers. Agency operations receives most of its support from the general fund with the balance funded primarily with federal funds. State special revenue for the misdemeanor domestic violence intervention program is administered by this agency. Federal funds administered by the agency come from federal grants with the majority of these funds being pass-through funds that go to state and local agencies. A small portion of the federal funds support agency operations. Administrative costs account for about 6.0% of all federal funds administered by the agency.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	2,411,273	2,411,273	4,822,546	97.79 %	8,646,260	8,646,260	17,292,520	106.38 %
PL Adjustments	54,556	54,585	109,141	2.21 %	(518,574)	(518,777)	(1,037,351)	(6.38)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$2,465,829	\$2,465,858	\$4,931,687		\$8,127,686	\$8,127,483	\$16,255,169	

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	17.50	17.50	17.50	0.00	17.50	17.50	0.00	0.00
Personal Services	1,170,292	1,318,846	1,300,880	(17,966)	1,318,651	1,300,675	(17,976)	(35,942)
Operating Expenses	705,359	730,344	804,465	74,121	730,478	804,727	74,249	148,370
Equipment & Intangible Assets	17,475	17,475	12,779	(4,696)	17,475	12,779	(4,696)	(9,392)
Grants	5,467,703	5,467,703	5,371,606	(96,097)	5,467,703	5,371,346	(96,357)	(192,454)
Transfers	604,421	604,421	637,956	33,535	604,421	637,956	33,535	67,070
Total Costs	\$7,965,250	\$8,138,789	\$8,127,686	(\$11,103)	\$8,138,728	\$8,127,483	(\$11,245)	(\$22,348)
General Fund	2,343,689	2,483,795	2,465,829	(17,966)	2,483,734	2,465,858	(17,876)	(35,842)
State/other Special Rev. Funds	113,236	127,335	122,049	(5,286)	127,335	122,039	(5,296)	(10,582)
Federal Spec. Rev. Funds	5,508,325	5,527,659	5,539,808	12,149	5,527,659	5,539,586	11,927	24,076
Total Funds	\$7,965,250	\$8,138,789	\$8,127,686	(\$11,103)	\$8,138,728	\$8,127,483	(\$11,245)	(\$22,348)

The legislative budget is \$22,348 in total funds and \$35,842 in general fund lower than the executive request. The main difference is that the legislature did not approve funding associated with the executive implementation of the 2015 biennium pay plan, but approved funding to bring the 2017 biennium budgets to the FY 2015 legislative budget level.

Language and Statutory Authority

The legislature included the following language in HB 2:

All pass-through grant authority is biennial.

All remaining pass-through grant appropriations, up to \$100,000 in general fund money, \$180,000 in state special revenue, and \$7 million in federal funds, including reversions, for the 2015 biennium are authorized to continue and are appropriated in FY 2016 and FY 2017.

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	771.85	771.85	757.44	757.42	771.85	757.42	(14.43)
Personal Services	52,082,055	56,392,808	58,083,346	58,099,504	108,474,863	116,182,850	7,707,987
Operating Expenses	28,514,142	29,893,991	33,667,631	34,714,535	58,408,133	68,382,166	9,974,033
Equipment & Intangible Assets	2,470,236	2,405,325	2,355,325	2,355,325	4,875,561	4,710,650	(164,911)
Grants	87,500	80,000	0	0	167,500	0	(167,500)
Benefits & Claims	966,303	976,674	1,121,191	1,121,191	1,942,977	2,242,382	299,405
Transfers	89,349	11,295	11,295	11,295	100,644	22,590	(78,054)
Debt Service	151,506	726,796	726,796	726,796	878,302	1,453,592	575,290
Total Costs	\$84,361,091	\$90,486,889	\$95,965,584	\$97,028,646	\$174,847,980	\$192,994,230	\$18,146,250
General Fund	29,279,048	31,455,088	34,346,626	34,843,856	60,734,136	69,190,482	8,456,346
State/Other Special Rev. Funds	52,219,004	56,032,054	58,421,908	58,981,000	108,251,058	117,402,908	9,151,850
Federal Spec. Rev. Funds	1,086,662	1,148,931	1,334,475	1,333,876	2,235,593	2,668,351	432,758
Proprietary Funds	1,776,377	1,850,816	1,862,575	1,869,914	3,627,193	3,732,489	105,296
Total Funds	\$84,361,091	\$90,486,889	\$95,965,584	\$97,028,646	\$174,847,980	\$192,994,230	\$18,146,250

Agency Description

The Department of Justice, under the direction of the Attorney General, is responsible for statewide legal services and counsel, law enforcement and public safety. The duties of the department are as follows:

- Provide legal representation for the state and its political subdivisions in criminal appeals
- Provide legal services and counsel for the state, county and municipal agencies, and their officials
- Enforce Montana traffic laws and register all motor vehicles
- Enforce state fire safety codes and regulations
- Assist local law enforcement agencies in bringing offenders to justice
- Manage a statewide system of death investigations and provide scientific analyses of specimens submitted by law enforcement officials, coroners and state agencies
- Maintain and disseminate criminal justice information to authorized state, local, and other entities
- Provide uniform regulation of all gambling activities in the state of Montana
- Provide criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement
- Enforce consumer protection laws and regulations relating to unfair and deceptive business practices, and assist Montana consumers in making sound decisions by providing public outreach
- Provide statewide leadership on issues related to victims of crime and administer the crime victim compensation program for the benefit of victims

Agency Highlights

**Department of Justice
Major Budget Highlights**

- In total funds, biennial appropriations increased by 10%, or \$17.8 million due primarily to approval of funding to:
 - Annualize costs associated with replacement of a contract to provide driver's license processing and production services
 - Annualize costs for the rolling reissuance of vehicle license plates
 - Increase Montana Highway Patrol officer salaries per a statutory salary survey
 - Annualize discretionary pay increases the agency provided in the 2015 biennium
 - Provide sexual assault and state/tribal relations training at a level lower than requested
 - Add 2.00 FTE investigators for the Division of Criminal Investigation
 - Add 1.00 FTE toxicologist at the state crime lab
 - Add 1.00 FTE investigator for the Montana Developmental Center in Boulder, one-time-only
 - Add 1.00 FTE gambling control investigator
 - Transfer 1.00 FTE to the Department of Transportation to coordinate radio interoperability
 - Increase crime victim benefits
 - Support legal and travel costs for the Public Safety Officer Standards and Training function
 - Adjust operating costs in several programs to the FY 2015 legislative base

Summary of Legislative Action

The legislature approved the department budget with an increase of \$14.4 million, or 8.1%, over the 2015 biennium. The following items were funded and drove the increase:

- Costs associated with replacement of a contract to provide driver's license processing and production services with the funding restricted only for these costs
- Costs to annualize the rolling reissuance of vehicle license plates
- Discretionary pay increases given during the 2015 biennium
- Increases in federal funds for crime victim's benefits

The legislature included language that increases the state special revenue funding for the Motor Vehicle Division by \$3.4 million for the biennium if HB 628 is not passed and approved. HB 628 passed the legislature but was vetoed by the Governor. A poll of the legislature failed to override the Governor's veto and this funding is valid.

At the urging of the legislature, the Montana Highway Patrol transferred ownership of \$133,000 in sports utility vehicles purchased with funds from a risk mitigation grant to the State Motor Pool. This item appeared as an audit finding and had no net budget impacts.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	69,190,482	0	9,479,127	78,669,609	36.45 %
State Special Total	117,402,908	0	10,116,208	127,519,116	59.09 %
Federal Special Total	2,668,351	0	85,000	2,753,351	1.28 %
Proprietary Total	3,732,489	3,143,760	0	6,876,249	3.19 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$192,994,230	\$3,143,760	\$19,680,335	\$215,818,325	
Percent - Total All Sources	89.42 %	1.46 %	9.12 %		

Funding for the department varies by division and function. General fund supports the Legal Services Division, Motor Vehicle Division, Division of Criminal Investigation, POST, Central Services Division, Information Technology Division, and Forensic Science Division. The highways state special revenue account supports a number of programs where highway safety is impacted. Highways state special revenue provides significant portions of the funding for the Highway Patrol Division and Central Services Division. State special revenue from consumer settlement proceeds supports consumer protection activities, gambling license fees support Gambling Control, and motor vehicle fees support the debt payment for the development and implementation of a computer system. Federal funds combined with general fund support Medicaid fraud investigation and the Child Protection Unit within the Legal Division. Proprietary funds support liquor licensing functions and legal services provided under contract to other agencies. Please refer to the narrative for the Department of Transportation in Section C for a discussion of the highway state special revenue fund.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	30,305,088	30,305,088	60,610,176	87.60 %	89,336,889	89,336,889	178,673,778	92.58 %
PL Adjustments	3,792,505	4,294,995	8,087,500	11.69 %	6,389,662	7,457,984	13,847,646	7.18 %
New Proposals	249,033	243,773	492,806	0.71 %	239,033	233,773	472,806	0.24 %
Total Budget	\$34,346,626	\$34,843,856	\$69,190,482		\$95,965,584	\$97,028,646	\$192,994,230	

Other Legislation

HB 115 - HB 115 adds a requirement that each applicant for a license with the Board of Nursing is required to obtain a state and federal criminal background check. The fiscal note for HB 115 states that in order to process the background checks the Division of Criminal Investigations of the Department of Justice would have additional workload equivalent to 0.25 FTE and costs of \$38,984 in FY 2016 and \$35,584 in FY 2017. The costs would be funded by state special revenue from the additional license fees. The legislature did not add funding to HB 2 for the fiscal impacts of HB 115.

HB 123 - HB 123 revises public records laws as to how public records are managed. The fiscal note for HB 123 indicates that the department would see additional workloads equivalent to 1.15 FTE and general fund costs of \$99,422 in FY 2016 and \$95,696 in FY 2017 to provide comprehensive legal review and legal advice to divisions and to fund information technology maintenance and data storage costs. The legislature did not add funding to HB 2 for the fiscal impacts of HB 123.

HB 244 - HB 244 provides a \$1.0 million general fund appropriation to the department to fund major litigation costs. Of these funds, \$200,000 is restricted only to actions to improve and protect the state's access to and growth in domestic and international markets for its products and natural resources.

HB 463 - HB 463 revise laws related to asset forfeiture. According to the fiscal note, the department assumes that current state special revenue forfeiture revenues would decline and costs funded by general fund would increase for net general fund impacts of \$79,400 in each of FY 2016 and FY 2017. No additional funding was added to HB 2 for these impacts.

HB 472 - HB 472 reauthorize the child and family ombudsman. Contingency language in HB 472 moves \$85,741 general fund from the Department of Public Health and Human Services to the department to fund costs for 1.00 FTE paralegal to assist the ombudsman with case work, responding to citizens, and completing investigations.

HB 488 - HB 488 revised driving under the influence laws by increasing the fines and establishing a new administrative fee for refusal to submit to field tests for drug or alcohol use. The new administrative fee will be deposited in a state special revenue account. The fiscal note for HB 488 assumes the new fee would be used by the state crime laboratory to lease instrumentation. No funding was included in HB 488 or HB 2 to allow expenditures of the new fee.

HB 512 - HB 512 establishes an eastern Montana branch of the state crime laboratory in Yellowstone County. The bill appropriates \$1.5 million general fund to the department for the biennium to fund facility lease costs as well as personal services and operating costs to operate the laboratory and purchase equipment. It assumes 2.00 FTE forensic scientists and 1.00 biological laboratory technician would staff the laboratory. HB 512 will increase the HB 2 budget pressures on the department in the 2019 biennium and beyond by a minimum of \$1.5 million to continue operating the laboratory.

HB 628 - HB 628 extends the period for the rolling reissuance of motor vehicle license plates from five years to ten years. HB 2 includes contingency language that increases state special revenue for the Motor Vehicle Division by \$1,697,988 in FY 2016 and by \$1,703,961 in FY 2017 if HB 628 is not passed and approved. The Governor has vetoed HB 628 and a poll of the legislature failed to override the Governor's veto. As such, this appropriation is valid.

SB 68 - SB 68 extends the termination date for the crime victims compensation account from June 30, 2015, to June 30, 2021. Expenditures from the crime victims compensation account are made via statutory appropriations and are estimated to be \$404,653 in each FY 2016 and FY 2017.

SB 93 - SB 93 creates a restricted-use driving permit for individuals otherwise ineligible to be issued a driver's license. The fiscal note for SB 93 assumes costs of \$62,200 in FY 2016 to create a driver's license and identification card and program computer systems. No funding was included in SB 93 or HB 2 for these costs.

SB 110 - SB 110 provides for temporary registration permits for nonresident owners of quadricycles and motorcycles for off-road use. The fiscal note for SB 110 assumes costs of \$3,097 in FY 2016 and \$6,194 in FY 2017 to generate temporary registration stickers/permits. No funding was included in SB 110 or HB 2 for these costs.

SB 393 - SB 393 revises security interest and title filing fees and provides for online driver's license renewal. The fiscal note for SB 393 assumes costs of \$28,900 in FY 2017 to program computer systems and pay credit card transaction fees for online license renewals. No funding was included in SB 393 or HB 2 for these costs.

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	771.85	759.44	757.44	(2.00)	759.42	757.42	(2.00)	(2.00)
Personal Services	52,082,055	59,129,855	58,083,346	(1,046,509)	59,117,838	58,099,504	(1,018,334)	(2,064,843)
Operating Expenses	28,514,142	36,056,252	33,667,631	(2,388,621)	36,747,885	34,714,535	(2,033,350)	(4,421,971)
Equipment & Intangible Assets	2,470,236	2,470,236	2,355,325	(114,911)	2,510,031	2,355,325	(154,706)	(269,617)
Grants	87,500	87,500	0	(87,500)	87,500	0	(87,500)	(175,000)
Benefits & Claims	966,303	966,303	1,121,191	154,888	966,303	1,121,191	154,888	309,776
Transfers	89,349	89,349	11,295	(78,054)	89,349	11,295	(78,054)	(156,108)
Debt Service	151,506	171,147	726,796	555,649	171,147	726,796	555,649	1,111,298
Total Costs	\$84,361,091	\$98,970,642	\$95,965,584	(\$3,005,058)	\$99,690,053	\$97,028,646	(\$2,661,407)	(\$5,666,465)
General Fund	29,279,048	35,856,717	34,346,626	(1,510,091)	36,024,709	34,843,856	(1,180,853)	(2,690,944)
State/other Special Rev. Funds	52,219,004	60,076,425	58,421,908	(1,654,517)	60,626,588	58,981,000	(1,645,588)	(3,300,105)
Federal Spec. Rev. Funds	1,086,662	1,151,805	1,334,475	182,670	1,151,667	1,333,876	182,209	364,879
Other	1,776,377	1,885,695	1,862,575	(23,120)	1,887,089	1,869,914	(17,175)	(40,295)
Total Funds	\$84,361,091	\$98,970,642	\$95,965,584	(\$3,005,058)	\$99,690,053	\$97,028,646	(\$2,661,407)	(\$5,666,465)

The legislative budget is \$5.7 million in total funds and \$2.7 million in general fund lower than the executive request. The main differences are:

- Funding was not approved for the following requests:
 - To annualize the full amount of executive implementation of the FY 2015 portion of the 2013 Legislative pay plan
 - To fund potential litigation associated with the Confederated Salish and Kooteni Tribes water compact
 - To fund litigation associated with water rights litigation against Wyoming
 - To fund increased overtime for Montana Highway Patrol officers, criminal investigators, and information technology staff
 - To fund the addition of 2.00 FTE computer applications engineers for the Montana Highway Patrol
 - To fund the increased costs of computer equipment, system maintenance, and vehicle leases
- Funding for the addition of 1.00 FTE attorney to serve as a prosecutor in eastern Montana was not approved as the agency withdrew the request
- Funding for sexual assault and state/tribal relations training was approved at a lower level than requested
- Funding for increased costs of the Montana Insurance Verification System and license plate rolling reissuance was funded via contingency language if HB 628 failed to become law

At the legislature's urging, the Montana Highway Patrol transferred ownership of \$133,000 in sports utility vehicles purchased with funds from a risk mitigation grant to the State Motor Pool. This item appeared as an audit finding.

Language and Statutory Authority

The legislature included the following language in HB 2:

If HB 628 is not passed and approved, Motor Vehicle Division is increased in state special revenue by \$1,697,988 in FY 2016 and \$1,703,961 in FY 2017.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	66.00	66.00	62.75	62.75	66.00	62.75	(3.25)	(4.92)%
Personal Services	5,014,146	5,356,756	5,785,630	5,779,022	10,370,902	11,564,652	1,193,750	11.51 %
Operating Expenses	1,728,531	2,623,065	1,977,865	2,108,352	4,351,596	4,086,217	(265,379)	(6.10)%
Equipment & Intangible Assets	10,678	0	0	0	10,678	0	(10,678)	(100.00)%
Benefits & Claims	966,303	976,674	1,121,191	1,121,191	1,942,977	2,242,382	299,405	15.41 %
Transfers	0	0	0	0	0	0	0	0.00 %
Total Costs	\$7,719,658	\$8,956,495	\$8,884,686	\$9,008,565	\$16,676,153	\$17,893,251	\$1,217,098	7.30 %
General Fund	6,094,036	7,287,190	6,887,359	6,995,799	13,381,226	13,883,158	501,932	3.75 %
State/Other Special Rev. Funds	1,045,865	1,096,463	1,267,216	1,282,913	2,142,328	2,550,129	407,801	19.04 %
Federal Spec. Rev. Funds	579,757	572,842	730,111	729,853	1,152,599	1,459,964	307,365	26.67 %
Total Funds	\$7,719,658	\$8,956,495	\$8,884,686	\$9,008,565	\$16,676,153	\$17,893,251	\$1,217,098	7.30 %

Program Description

The Legal Services Division (LSD) provides:

- Legal research and analysis for the Attorney General
- Legal counsel for state government officials, bureaus, and boards
- Legal assistance to local governments and Indian tribes
- Legal assistance, training, and support for county prosecutors
- Assistance to victims of crime, including compensation payments

The Prosecution Services Bureau assists local county attorneys by providing training and assisting in the prosecution of complex criminal cases, particularly homicide cases. The bureau prosecutes cases where the county attorney has a conflict of interest, and drug, workers' compensation, and Medicaid fraud cases. The bureau also investigates complaints against county attorneys.

The Appellate Services Bureau handles appeals of criminal matters, including death penalty cases, and represents the state in federal court when constitutional challenges are made to a criminal conviction.

The Civil Services Bureau defends the state in constitutional challenges and coordinates appeals of civil cases that involve the state. This bureau also provides legal assistance to state and local governments on matters involving Indian jurisdiction and federal reserved water rights.

The Child Protection Unit handles child abuse and neglect cases around Montana. The unit has offices in Bozeman, Billings, Great Falls, and Miles City and focuses on resolving the legal status of children who have been in foster care for more than 15 out of the most recent 22 months.

The Office of Victim Services (OVS) works to elevate the status of victims and their rights and responds to the needs of crime victims in Montana. It serves as a central reference point for victims of crime, administers the Crime Victim Compensation Program and the Forensic Rape Examination Payment Program, and offers information and referral services. OVS staffs the Domestic Violence Fatality Review Commission and provides training and information for those who work with victims, including law enforcement, victim advocates, probation and parole workers, and local community organizations.

The Office of Consumer Protection (OCP) responds to consumer complaints and enforces Montana's consumer protection laws and regulations relating to unfair and deceptive business practices, including: "bait and switch," false claims,

changing a contract after a sale, abusive arbitration, debt collection misconduct, door-to-door sales, telemarketing including administering Montana's do-not-call list, car and truck sales and repair including the New Vehicle Warranty Act (or Lemon Law) violations, and antitrust issues including price fixing, monopoly abuse, and restraint of trade. OCP assists victims of identity theft and administers the state's Security Freeze Program. It provides extensive public education about consumer and telemarketing fraud and identity theft to Montana consumer groups, senior citizen organizations, law enforcement agencies, and businesses.

Program Highlights

Legal Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the legislative pay plan for the 2015 biennium except for the amount associated with the executive implementation or 2% in FY 2015 ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Increased federal funding for crime victims benefits ◦ Funding for sexual assault and tribal relations training ◦ Funding to move operating costs to the FY 2015 legislative budget

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 01-Legal Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	13,883,158	0	0	13,883,158	75.72 %	
02106 Crime Victims Compensation	0	0	441,028	441,028	14.74 %	
02140 Consumer Education Settlement	2,170,133	0	0	2,170,133	72.55 %	
02937 JUSTICE STATE SPECIAL MISC	379,996	0	0	379,996	12.70 %	
State Special Total	\$2,550,129	\$0	\$441,028	\$2,991,157	16.31 %	
03169 Federal Crime Victims Benefits	1,091,529	0	0	1,091,529	74.76 %	
03801 Dept Of Justice-Misc Grants	368,435	0	0	368,435	25.24 %	
Federal Special Total	\$1,459,964	\$0	\$0	\$1,459,964	7.96 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$17,893,251	\$0	\$441,028	\$18,334,279		

The division receives the majority of its funding from the general fund. Each of the various functions within the division has a unique funding source. Attorneys are supported primarily by general fund with state special revenue from highway special revenue, tobacco settlement funds, and other funds supporting specific activities. Additionally, work for the Reserved Water Rights Compact Commission is funded by the Department of Natural Resources and Conservation; prosecution of hunting violations is funded by the Department of Fish, Wildlife and Parks; and prosecution of worker's compensation violations is funded by the State Fund. The cost of major litigation is supported entirely by the general fund. Funding for assistance to crime victims comes from the general fund and federal grants. State special revenue from the settlement of consumer protection litigation funds the portion of the program that supports consumer protection functions.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	6,412,190	6,412,190	12,824,380	92.37 %	7,021,030	7,021,030	14,042,060	78.48 %
PL Adjustments	475,169	583,609	1,058,778	7.63 %	1,863,656	1,987,535	3,851,191	21.52 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$6,887,359	\$6,995,799	\$13,883,158		\$8,884,686	\$9,008,565	\$17,893,251	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	19,198	11,189	110	30,497	0.00	19,198	11,189	110	30,497
DP 516 - Correct State Share Health Insurance	0.00	5,504	(6,614)	1,110	0	0.00	5,505	(6,614)	1,109	0
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	92,118	0	0	92,118	0.00	92,118	0	0	92,118
DP 521 - Correct Fully Fund 2015 Authorized FTE	0.00	0	11,747	0	11,747	0.00	0	11,747	0	11,747
DP 525 - Fixed Cost Adjustment	0.00	262,785	38,851	0	301,636	0.00	359,695	52,279	0	411,974
DP 527 - Inflation/Deflation Adjustment	0.00	(17,239)	(3,677)	(8)	(20,924)	0.00	(859)	(524)	(1)	(1,384)
DP 530 - Reorganization	0.00	0	906,465	0	906,465	0.00	0	906,465	0	906,465
DP 535 - Program Transfers	0.00	(125,000)	0	154,000	29,000	0.00	(125,000)	0	154,000	29,000
DP 550 - Motor Pool Rate Adjustment	0.00	(892)	(1,136)	0	(2,028)	0.00	(390)	(1,029)	0	(1,419)
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	233,695	43,277	11,540	288,512	0.00	228,342	42,286	11,276	281,904
DP 100101 - LSD Base Adjustments	0.00	0	77,116	0	77,116	0.00	0	77,116	0	77,116
DP 100444 - Statewide 4% FTE Reduction - Program 01	(3.25)	0	0	0	0	(3.25)	0	0	0	0
DP 100500 - Sexual Assault and Tribal Relations Training	0.00	5,000	0	0	5,000	0.00	5,000	0	0	5,000
DP 100600 - Crime Victims Benefits	0.00	0	0	144,517	144,517	0.00	0	0	144,517	144,517
Grand Total All Present Law Adjustments	(3.25)	\$475,169	\$1,077,218	\$311,269	\$1,863,656	(3.25)	\$583,609	\$1,092,915	\$311,011	\$1,987,535

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature adjusted funding to correct an error in state share for health insurance calculation for present law adjustment PL 515.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 521 - Correct Fully Fund 2015 Authorized FTE -

The legislature adjusted funding to correct a error in calculating fully fund legislative authorized FTE in present law adjustment PL 520.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganization -

The legislature adopted the reorganization of the consumer protection function from the Office of Consumer Protection to the Legal Services Division within the department. This included transfers of \$906,465 in state special in FY 2016 and 9.00 FTE in FY 2016 and \$906,465 state special revenue and 9.00 FTE in FY 2017.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$125,000 in general fund in FY 2016 and FY 2017 from the the Legal Services Division to the Division of Criminal Investigation to move the Children and Families Ombudsman to the Division of Criminal Investigation. Additionally, \$154,000 federal revenue was moved in FY 2016 and FY 2017 from the Division of Criminal Investigation to the Legal Services Division to fund crime victims grants.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 100101 - LSD Base Adjustments -

The legislature approved an adjustment to move operating costs to the 2015 legislative base.

DP 100444 - Statewide 4% FTE Reduction - Program 01 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 100444 includes a reduction of 3.25 FTE.

DP 100500 - Sexual Assault and Tribal Relations Training -

The legislature funded costs for sexual assault and tribal relations training for staff and law enforcement.

DP 100600 - Crime Victims Benefits -

The legislature increased federal funding for crime victim benefits under The Crime Victims Compensation Act of Montana.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison									
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change	
Personal Services	0	0	0	0	0	0	0	0.00 %	
Operating Expenses	0	0	0	0	0	0	0	0.00 %	
Total Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00 %	
State/Other Special Rev. Funds	0	0	0	0	0	0	0	0.00 %	
Total Funds	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0.00 %	

Program Description

The Office of Consumer Protection (OCP) responds to consumer complaints and enforces Montana’s consumer protection laws and regulations relating to unfair and deceptive business practices, including: "bait and switch," false claims, changing a contract after a sale, abusive arbitration, debt collection misconduct, door-to-door sales, telemarketing including administering Montana's do-not-call list, car and truck sales and repair including the New Vehicle Warranty Act (or Lemon Law) violations, and antitrust issues including price fixing, monopoly abuse, and restraint of trade.

OCP assists victims of identity theft and administers the state’s Security Freeze Program. It provides extensive public education about consumer and telemarketing fraud and identity theft to Montana consumer groups, senior citizen organizations, law enforcement agencies, and businesses.

Program Highlights

Office of Consumer Protection Major Budget Highlights
<ul style="list-style-type: none"> • This program was reorganized into the Legal Services Division

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 02-Office of Consumer Protection Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02140 Consumer Education Settlement	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$0	\$0	\$0	\$0		

The program is funded entirely with state special revenue from the settlement of consumer protection litigation. The program is now included in the Legal Services Division.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	906,465	906,465	1,812,930	0.00 %
PL Adjustments	0	0	0	0.00 %	(906,465)	(906,465)	(1,812,930)	0.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$0	\$0	\$0	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	11,747	0	11,747	0.00	0	11,747	0	11,747
DP 530 - Reorganization	0.00	0	(918,212)	0	(918,212)	0.00	0	(918,212)	0	(918,212)
Grand Total All Present Law Adjustments	0.00	\$0	(\$906,465)	\$0	(\$906,465)	0.00	\$0	(\$906,465)	\$0	(\$906,465)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 530 - Reorganization -

The legislature adopted the reorganization of the consumer protection function from the Office of Consumer Protection to the Legal Services Division within the department. This included transfers of \$906,465 in state special in FY 2016 and 9.00 FTE in FY 2016 and \$906,465 state special revenue and 9.00 FTE in FY 2017.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	17.00	17.00	17.00	17.00	17.00	17.00	0.00	0.00 %
Personal Services	966,455	1,505,030	1,392,716	1,392,716	2,471,485	2,785,432	313,947	12.70 %
Operating Expenses	176,309	179,164	179,164	179,164	355,473	358,328	2,855	0.80 %
Total Costs	\$1,142,764	\$1,684,194	\$1,571,880	\$1,571,880	\$2,826,958	\$3,143,760	\$316,802	11.21 %
Proprietary Funds	1,142,764	1,684,194	1,571,880	1,571,880	2,826,958	3,143,760	316,802	11.21 %
Total Funds	\$1,142,764	\$1,684,194	\$1,571,880	\$1,571,880	\$2,826,958	\$3,143,760	\$316,802	11.21 %

Program Description

This program is funded with non-budgeted proprietary funds for which the legislature approved rates. Refer to the Proprietary Program Discussion section below.

Program Highlights

Agency Legal Services Major Budget Highlights
<ul style="list-style-type: none"> • The legislature approved the following proprietary rates: <ul style="list-style-type: none"> ◦ \$106 per hour for attorneys ◦ \$62 per hour for investigators

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 06-Agency Legal Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06500 Agency Legal Services	0	3,143,760	0	3,143,760	100.00 %	
Proprietary Total	\$0	\$3,143,760	\$0	\$3,143,760	100.00 %	
Total All Funds	\$0	\$3,143,760	\$0	\$3,143,760		

This program is funded with non-budgeted proprietary funds.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category									
Budget Item	-----General Fund-----				-----Total Funds-----				
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	
2015 Budget	0	0	0	0.00 %	1,571,880	1,571,880	3,143,760	100.00 %	
PL Adjustments	0	0	0	0.00 %	0	0	0	0.00 %	
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %	
Total Budget	\$0	\$0	\$0		\$1,571,880	\$1,571,880	\$3,143,760		

Other Issues

Proprietary Program Descriptions

Agency Legal Services – Fund 06500

Program Description

The Agency Legal Services Bureau (ALS) provides legal, hearing examiner, and investigative services to state agency clients on a contract basis. ALS attorneys and investigators bill clients for their services, case-related, and incidental costs. The division consists of 17.00 FTE funded from the revenues generated. The customers served are state agencies, boards, and commissions that have entered into contracts with ALS.

Proprietary Rates

For the 2017 biennium the following rates were approved by the legislature.

Agency Legal Services Approved Rates		
Item	FY 2016	FY 2017
Attorney rate per hour	\$106.00	\$106.00
Investigator rate per hour	62.00	62.00

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	47.00	47.00	45.99	45.98	47.00	45.98	(1.02)	(2.17)%
Personal Services	3,088,610	3,319,318	3,451,154	3,451,149	6,407,928	6,902,303	494,375	7.72 %
Operating Expenses	694,791	750,036	813,666	843,767	1,444,827	1,657,433	212,606	14.71 %
Equipment & Intangible Assets	80,500	82,860	82,860	82,860	163,360	165,720	2,360	1.44 %
Transfers	53,508	0	0	0	53,508	0	(53,508)	(100.00)%
Total Costs	\$3,917,409	\$4,152,214	\$4,347,680	\$4,377,776	\$8,069,623	\$8,725,456	\$655,833	8.13 %
State/Other Special Rev. Funds	2,769,245	2,934,118	3,120,915	3,144,581	5,703,363	6,265,496	562,133	9.86 %
Proprietary Funds	1,148,164	1,218,096	1,226,765	1,233,195	2,366,260	2,459,960	93,700	3.96 %
Total Funds	\$3,917,409	\$4,152,214	\$4,347,680	\$4,377,776	\$8,069,623	\$8,725,456	\$655,833	8.13 %

Program Description

The Gambling Control Division (GCD) was established by the 1989 Legislature to regulate the gambling industry in Montana. The division has criminal justice authority and conducts routine field inspections, audits, and investigations related to gambling activities. In addition to collecting and distributing licensing fees for gambling machines and activities, the division collects the gambling tax assessed on the net proceeds of gambling activities.

The division conducts investigations related to alcoholic beverage licensing and tobacco enforcement. An appointed Gaming Advisory Council of nine members advises the Attorney General to ensure uniform statewide regulation of gambling activities. The Gambling Control Program is mandated by state law.

Program Highlights

Gambling Control Division Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to move operating costs to the FY 2015 legislative budget ◦ Funding to restore 1.00 FTE removed by the 2013 as part of the permanent vacancy savings reduction

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 07-Gambling Control Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	0	0	0	0	0.00 %	
02074 Gambling License Fee Account	6,007,710	0	9,508,232	15,515,942	98.37 %	
02120 Video Gaming Local Dist.	0	0	0	0	0.00 %	
02790 6901-Statewide Tobacco Sttlmnt	257,786	0	0	257,786	1.63 %	
State Special Total	\$6,265,496	\$0	\$9,508,232	\$15,773,728	86.51 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06005 Liquor Division	2,459,960	0	0	2,459,960	100.00 %	
Proprietary Total	\$2,459,960	\$0	\$0	\$2,459,960	13.49 %	
Total All Funds	\$8,725,456	\$0	\$9,508,232	\$18,233,688		

Gambling control activities are supported primarily by state special revenue generated from gambling licensing fees. Liquor licensing fees (a proprietary fund) support division functions related to liquor licensing. A small amount of funds from the tobacco settlement state special revenue account support activities related to enforcement of settlement provisions.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	4,152,214	4,152,214	8,304,428	95.17 %
PL Adjustments	0	0	0	0.00 %	130,466	160,562	291,028	3.34 %
New Proposals	0	0	0	0.00 %	65,000	65,000	130,000	1.49 %
Total Budget	\$0	\$0	\$0		\$4,347,680	\$4,377,776	\$8,725,456	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
-----Fiscal 2016-----						-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 515 - State Share Health Insurance	0.00	0	15,525	0	15,525	0.00	0	15,522	0	15,522
DP 516 - Correct State Share Health Insurance	0.00	0	0	0	6,340	0.00	0	0	0	6,338
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	0	44,971	0	44,971	0.00	0	44,971	0	44,971
DP 525 - Fixed Cost Adjustment	0.00	0	64,098	0	67,570	0.00	0	83,946	0	92,289
DP 527 - Inflation/Deflation Adjustment	0.00	0	(3,327)	0	(4,686)	0.00	0	(220)	0	(310)
DP 550 - Motor Pool Rate Adjustment	0.00	0	(200)	0	(282)	0.00	0	(199)	0	(281)
DP 700444 - Statewide 4% FTE Reduction - Program 07	(2.01)	0	0	0	0	(2.02)	0	0	0	0
DP 700701 - GCD Base Adjustments	0.00	0	730	0	1,028	0.00	0	1,443	0	2,033
Grand Total All Present Law Adjustments	(2.01)	\$0	\$121,797	\$0	\$130,466	(2.02)	\$0	\$145,463	\$0	\$160,562

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature adjusted funding to correct an error in state share for health insurance calculation for present law adjustment PL 515.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 700444 - Statewide 4% FTE Reduction - Program 07 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 700444 includes a reduction of 2.01 FTE.

DP 700701 - GCD Base Adjustments -

The legislature approved an adjustment to move operating costs to the 2015 legislative base.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 700445 - Restore FTE - Gambling Control Division	1.00	0	65,000	0	65,000	1.00	0	65,000	0	65,000
Total	1.00	\$0	\$65,000	\$0	\$65,000	1.00	\$0	\$65,000	\$0	\$65,000

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 700445 - Restore FTE - Gambling Control Division -

The legislature approved funding to restore 1.00 FTE removed by the 2013 Legislature in association with the 4% vacancy savings reduction.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	158.75	158.75	154.25	154.25	158.75	154.25	(4.50)	(2.83)%
Personal Services	6,925,138	7,312,278	7,767,438	7,773,129	14,237,416	15,540,567	1,303,151	9.15 %
Operating Expenses	11,252,333	11,999,828	14,316,242	14,494,808	23,252,161	28,811,050	5,558,889	23.91 %
Equipment & Intangible Assets	96,500	114,028	114,028	114,028	210,528	228,056	17,528	8.33 %
Debt Service	36,298	616,700	616,700	616,700	652,998	1,233,400	580,402	88.88 %
Total Costs	\$18,310,269	\$20,042,834	\$22,814,408	\$22,998,665	\$38,353,103	\$45,813,073	\$7,459,970	19.45 %
General Fund	8,354,831	8,575,280	10,251,248	10,310,391	16,930,111	20,561,639	3,631,528	21.45 %
State/Other Special Rev. Funds	9,368,970	10,876,295	11,971,901	12,097,015	20,245,265	24,068,916	3,823,651	18.89 %
Proprietary Funds	586,468	591,259	591,259	591,259	1,177,727	1,182,518	4,791	0.41 %
Total Funds	\$18,310,269	\$20,042,834	\$22,814,408	\$22,998,665	\$38,353,103	\$45,813,073	\$7,459,970	19.45 %

Program Description

The Motor Vehicle Division (MVD) under provision of Title 61 and Title 23, MCA and federal statutes (such as the Commercial Motor Vehicle Safety Act of 1986, child support regulations, Anti Car Theft Act of 1992, and Odometer Disclosure Act) is responsible for:

- Examination and licensure of all drivers
- Verification of identification
- Creation and maintenance of permanent driver and motor vehicle records
- Titling and registration of all vehicles including boats, snowmobiles, and ATVs
- Inspection and verification of vehicle identification numbers
- Licensure and compliance control of motor vehicle dealers and manufacturers
- Providing motor voter registration

Program Highlights

Motor Vehicle Division Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Funding to move operating costs to the FY 2015 legislative budget ◦ Funding to annualize costs associated with replacement of a contract to provide driver's license processing and production services ◦ Contingency funding to support the rolling reissuance of motor vehicle license plates associated with HB 628 that was vetoed by the Governor

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 12-Motor Vehicle Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	20,561,639	0	0	20,561,639	44.78 %	
02200 Permits and Transfer Plates	0	0	0	0	0.00 %	
02225 MVD Inform Tech System HB577	107,616	0	0	107,616	0.45 %	
02390 Spec Motorcycle Lic Plates	0	0	107,000	107,000	0.44 %	
02422 Highways Special Revenue	14,280,066	0	0	14,280,066	59.07 %	
02456 Insurance Verification SB508	8,555,450	0	0	8,555,450	35.39 %	
02798 MVD IT System - HB261	1,125,784	0	0	1,125,784	4.66 %	
State Special Total	\$24,068,916	\$0	\$107,000	\$24,175,916	52.65 %	
03801 Dept Of Justice-Misc Grants	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06080 MVD/State Information Portal	0	0	0	0	0.00 %	
06083 MVD ELECTRONIC COMMERCE	1,182,518	0	0	1,182,518	100.00 %	
Proprietary Total	\$1,182,518	\$0	\$0	\$1,182,518	2.58 %	
Total All Funds	\$45,813,073	\$0	\$107,000	\$45,920,073		

In the 2015 biennium, the driver’s licensing and vehicle titling and registration functions were supported by the general fund and highways state special revenue fund. The 2015 Legislature approved a funding switch to replace all highways state special revenue in the division with general fund. State special revenues collected for vehicle registration fees support payment of debt that was incurred for the development and implementation of the computer system known as the Montana Enhanced Registration and Licensing Information Network (MERLIN) and the vehicle insurance verification system. Proprietary funds collected from fees charged for e-government services support online web based services that may be used by the public.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	8,575,280	8,575,280	17,150,560	83.41 %	20,042,834	20,042,834	40,085,668	87.50 %
PL Adjustments	1,675,968	1,735,111	3,411,079	16.59 %	2,771,574	2,955,831	5,727,405	12.50 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$10,251,248	\$10,310,391	\$20,561,639		\$22,814,408	\$22,998,665	\$45,813,073	

Present Law Adjustments

The “Present Law Adjustments” table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	58,158	16,808	0	74,966	0.00	58,158	16,808	0	74,966
DP 516 - Correct State Share Health Insurance	0.00	(12,012)	13,956	0	1,944	0.00	(10,554)	14,928	0	4,374
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	185,881	102,674	0	288,555	0.00	185,881	102,674	0	288,555
DP 521 - Correct Fully Fund 2015 Authorized FTE	0.00	(12,748)	12,748	0	0	0.00	(12,748)	12,748	0	0
DP 525 - Fixed Cost Adjustment	0.00	172,946	73,381	0	246,327	0.00	169,327	167,106	0	336,433
DP 527 - Inflation/Deflation Adjustment	0.00	(16,610)	(477)	0	(17,087)	0.00	(1,091)	(39)	0	(1,130)
DP 550 - Motor Pool Rate Adjustment	0.00	(27,756)	(8,891)	0	(36,647)	0.00	(26,938)	(8,888)	0	(35,826)
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	137,817	91,878	0	229,695	0.00	139,774	93,182	0	232,956
DP 1200444 - Statewide 4% FTE Reduction - Program 12	(4.50)	0	0	0	0	(4.50)	0	0	0	0
DP 1201201 - MVD Base Adjustments	0.00	75,482	50,322	0	125,804	0.00	97,811	65,207	0	163,018
DP 1201202 - MVD Drivers License Contract	0.00	1,114,810	743,207	0	1,858,017	0.00	1,135,491	756,994	0	1,892,485
Grand Total All Present Law Adjustments	(4.50)	\$1,675,968	\$1,095,606	\$0	\$2,771,574	(4.50)	\$1,735,111	\$1,220,720	\$0	\$2,955,831

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature adjusted funding to correct an error in state share for health insurance calculation for present law adjustment PL 515.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 521 - Correct Fully Fund 2015 Authorized FTE -

The legislature adjusted funding to correct a error in calculating fully fund legislative authorized FTE in present law adjustment PL 520.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 1200444 - Statewide 4% FTE Reduction - Program 12 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 1200444 includes a reduction of 4.50 FTE.

DP 1201201 - MVD Base Adjustments -

The legislature approved an adjustment to move operating costs to the 2015 legislative base.

DP 1201202 - MVD Drivers License Contract -

The legislature funded replacement of an expiring vendor contract that provides driver license related services such as driver license image capture and comparison, card production, customer scheduling, automated written and road test tablets. The legislature restricted the funding to be used only to fund costs associated with driver's license contract replacement.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	302.00	302.00	301.00	301.00	302.00	301.00	(1.00)	(0.33)%
Personal Services	23,729,700	25,891,643	25,752,496	25,748,876	49,621,343	51,501,372	1,880,029	3.79 %
Operating Expenses	8,075,714	8,150,431	8,573,732	8,751,502	16,226,145	17,325,234	1,099,089	6.77 %
Equipment & Intangible Assets	2,024,653	1,992,165	1,992,165	1,992,165	4,016,818	3,984,330	(32,488)	(0.81)%
Total Costs	\$33,830,067	\$36,034,239	\$36,318,393	\$36,492,543	\$69,864,306	\$72,810,936	\$2,946,630	4.22 %
General Fund	0	0	0	0	0	0	0	0.00 %
State/Other Special Rev. Funds	33,830,067	36,034,239	36,318,393	36,492,543	69,864,306	72,810,936	2,946,630	4.22 %
Total Funds	\$33,830,067	\$36,034,239	\$36,318,393	\$36,492,543	\$69,864,306	\$72,810,936	\$2,946,630	4.22 %

Program Description

The Montana Highway Patrol is responsible for patrolling the highways of Montana, enforcing traffic laws, and investigating traffic crashes. The patrol gives assistance and information to motorists and first aid to those injured in traffic crashes, transports blood and medical supplies in emergency situations, and assists other law enforcement agencies when requested. The patrol provides 24-hour-a-day, seven-day-a-week communication and radio dispatch for the Highway Patrol and other state agencies.

Program Highlights

Montana Highway Patrol Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Funding to move operating costs to the FY 2015 legislative budget ◦ Funding for a salary adjustment for Montana Highway Patrol officers based on a statutory market survey ◦ A reduction to move 1.00 FTE to the Department of Transportation to coordinate radio interoperability

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 13-Montana Highway Patrol Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	0	0	3,571,293	3,571,293	4.68 %	
02014 Highway Patrol Retire Clearing	12,938,894	0	0	12,938,894	17.77 %	
02422 Highways Special Revenue	59,872,042	0	0	59,872,042	82.23 %	
State Special Total	\$72,810,936	\$0	\$0	\$72,810,936	95.32 %	
03214 Special Law Enforcement Assist	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$72,810,936	\$0	\$3,571,293	\$76,382,229		

Functions of the division are supported by state special revenue with the bulk of the costs supported by the restricted account of the highways state special revenue. The highway patrol recruitment and retention fund supported by a \$5 vehicle registration fee may be used to support the cost of uniformed officers, equipment, and pay increases, and supports the executive protection function. Please refer to the narrative for the Department of Transportation in Section C for a discussion of the highway state special revenue fund.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	36,034,239	36,034,239	72,068,478	98.98 %
PL Adjustments	0	0	0	0.00 %	359,154	533,304	892,458	1.23 %
New Proposals	0	0	0	0.00 %	(75,000)	(75,000)	(150,000)	(0.21)%
Total Budget	\$0	\$0	\$0		\$36,318,393	\$36,492,543	\$72,810,936	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
-----Fiscal 2016-----						-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 515 - State Share Health Insurance	0.00	0	146,772	0	146,772	0.00	0	146,772	0	146,772
DP 525 - Fixed Cost Adjustment	0.00	0	412,801	0	412,801	0.00	0	563,803	0	563,803
DP 527 - Inflation/Deflation Adjustment	0.00	0	(28,635)	0	(28,635)	0.00	0	(1,894)	0	(1,894)
DP 550 - Motor Pool Rate Adjustment	0.00	0	1,317	0	1,317	0.00	0	1,344	0	1,344
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	0	(437,616)	0	(437,616)	0.00	0	(441,236)	0	(441,236)
DP 1301301 - MHP Base Adjustments	0.00	0	37,818	0	37,818	0.00	0	37,818	0	37,818
DP 1301311 - MHP Salary Survey	0.00	0	226,697	0	226,697	0.00	0	226,697	0	226,697
Grand Total All Present Law Adjustments	0.00	\$0	\$359,154	\$0	\$359,154	0.00	\$0	\$533,304	\$0	\$533,304

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 1301301 - MHP Base Adjustments -

The legislature approved an adjustment to move operating costs to the 2015 legislative base.

DP 1301311 - MHP Salary Survey -

The legislature funded statutorily required salary increases for uniformed officers in accordance to a survey required in statute.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 130020 - Interoperability Radio Coordinator	(1.00)	0	(75,000)	0	(75,000)	(1.00)	0	(75,000)	0	(75,000)
Total	(1.00)	\$0	(\$75,000)	\$0	(\$75,000)	(1.00)	\$0	(\$75,000)	\$0	(\$75,000)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 130020 - Interoperability Radio Coordinator -

The legislature reduced funding for 1.00 FTE to move the position of interoperability radio coordinator to the Department of Transportation.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	103.00	103.00	101.55	101.55	103.00	101.55	(1.45)	(1.41)%
Personal Services	6,618,861	7,340,310	7,641,366	7,660,539	13,959,171	15,301,905	1,342,734	9.62 %
Operating Expenses	3,904,014	3,778,445	4,236,551	4,415,465	7,682,459	8,652,016	969,557	12.62 %
Equipment & Intangible Assets	231,410	123,452	123,452	123,452	354,862	246,904	(107,958)	(30.42)%
Grants	87,500	80,000	0	0	167,500	0	(167,500)	(100.00)%
Benefits & Claims	0	0	0	0	0	0	0	0.00 %
Transfers	35,841	11,295	11,295	11,295	47,136	22,590	(24,546)	(52.07)%
Total Costs	\$10,877,626	\$11,333,502	\$12,012,664	\$12,210,751	\$22,211,128	\$24,223,415	\$2,012,287	9.06 %
General Fund	6,619,427	7,118,171	7,462,462	7,534,840	13,737,598	14,997,302	1,259,704	9.17 %
State/Other Special Rev. Funds	3,753,946	3,641,893	3,951,112	4,078,975	7,395,839	8,030,087	634,248	8.58 %
Federal Spec. Rev. Funds	504,253	573,438	599,090	596,936	1,077,691	1,196,026	118,335	10.98 %
Total Funds	\$10,877,626	\$11,333,502	\$12,012,664	\$12,210,751	\$22,211,128	\$24,223,415	\$2,012,287	9.06 %

Program Description

The Division of Criminal Investigation (DCI) includes the administration, management, and coordination of criminal investigative services and training performed by the Investigations Bureau, the Narcotics Bureau, the Investigative Support Bureau, and the Law Enforcement Academy Bureau.

The Investigations Bureau consists of four sections:

- The Fire Prevention and Investigation Section is responsible for safeguarding life and property from fire, explosion, and arson through investigation, inspection, and fire code interpretation and enforcement functions
- The Special Investigations Unit investigates crimes involving the use of computers, maintains the Sexual and Violent Offender Registry, and provides advanced training opportunities for law enforcement officials statewide
- The Major Case Section provides criminal investigative assistance to city, county, state, and federal law enforcement agencies
- The Medicaid Fraud Control Section is responsible for investigating any crime that occurs in a health care facility, including theft, drug diversion, sexual assault, and homicide. The section also investigates elder exploitation, elder abuse, and fraud by providers within the Medicaid system.

The Narcotics Bureau investigates dangerous drug violations and provides investigative assistance to city, county, state, and federal law enforcement agencies as requested. The bureau also investigates organized criminal activity.

The Investigative Support Bureau is responsible for establishing a statewide intelligence center, performing criminal records checks, operating the Criminal Justice Information Network, and addressing homeland security issues.

The Law Enforcement Academy Bureau provides criminal justice officers and other qualified individuals with basic and specialized training in the field of law enforcement.

Program Highlights

Division of Criminal Investigation Major Budget Highlights	
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Funding to move operating costs to the FY 2015 legislative budget ◦ Funding to add 2.00 FTE crime investigators ◦ One-time funding to add 1.00 FTE investigator for the Montana Developmental Center in Boulder 	

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 18-Division of Criminal Investigation Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	14,997,302	0	0	14,997,302	61.54 %	
02006 Cigarette Fire Safety Standard	202,035	0	0	202,035	2.50 %	
02016 Criminal Justice Info Network	1,407,951	0	0	1,407,951	17.40 %	
02118 Misc Subgrants	0	0	0	0	0.00 %	
02143 Drug Forfeitures-State	0	0	59,948	59,948	0.74 %	
02349 Highway Non-Restricted Account	350,000	0	0	350,000	4.33 %	
02456 Insurance Verification SB508	0	0	0	0	0.00 %	
02546 MTLaw Enforc. Acad. Surcharge	2,998,675	0	0	2,998,675	37.07 %	
02797 CJIS - Background Checks	2,680,660	0	0	2,680,660	33.14 %	
02937 JUSTICE STATE SPECIAL MISC	390,766	0	0	390,766	4.83 %	
State Special Total	\$8,030,087	\$0	\$59,948	\$8,090,035	33.20 %	
03051 Homeland Security	0	0	0	0	0.00 %	
03187 BCC Grants To Dept. Of Justice	14,748	0	0	14,748	1.15 %	
03214 Special Law Enforcement Assist	0	0	85,000	85,000	6.64 %	
03542 DCI Grants	0	0	0	0	0.00 %	
03800 Medicaid Fraud	1,181,278	0	0	1,181,278	92.21 %	
03801 Dept Of Justice-Misc Grants	0	0	0	0	0.00 %	
Federal Special Total	\$1,196,026	\$0	\$85,000	\$1,281,026	5.26 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$24,223,415	\$0	\$144,948	\$24,368,363		

The division is supported by a combination of general fund, state special revenue, and federal funds. General fund supports criminal investigations, fire prevention and investigation, match for federal funds supporting Medicaid fraud investigations, drug task forces, the computer crime unit, sexual and violent offender registry, amber alert, and child sexual abuse response team.

The three largest sources of state special revenue supporting the division are Montana Law Enforcement Academy surcharges that support operation of the academy, criminal justice information network (CJIN) revenue that supports itself, and revenue from criminal justice background checks that are paid in exchange for completion of a background check.

The largest source of federal funds is Medicaid funding that supports investigation of Medicaid fraud.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00 %
Personal Services	117,841	176,260	203,783	203,330	294,101	407,113	113,012	38.43 %
Operating Expenses	165,768	139,362	243,164	144,923	305,130	388,087	82,957	27.19 %
Total Costs	\$283,609	\$315,622	\$446,947	\$348,253	\$599,231	\$795,200	\$195,969	32.70 %
General Fund	283,609	315,622	446,947	348,253	599,231	795,200	195,969	32.70 %
Total Funds	\$283,609	\$315,622	\$446,947	\$348,253	\$599,231	\$795,200	\$195,969	32.70 %

Program Description

The Montana Public Safety Officer Standards and Training (POST) Council is a quasi-judicial board authorized in 2-15-2029, MCA. The council is responsible for establishing basic and advanced qualification and training standards for employment of Montana’s public safety officers.

In addition, the council:

- Conducts and approves officer training
- Provides for the certification and re-certification of public safety officers
- Hears and decides on contested cases associated with public safety officers suspensions or revocations of certification

Program Highlights

POST Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Funding to move operating costs to the FY 2015 legislative budget

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 19-Public Safety Officer Standards & Training Program Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	795,200	0	0	795,200	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$795,200	\$0	\$0	\$795,200		

The Public Safety Officers Standards and Training (POST) is funded with general fund.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	446,947	348,253	795,200	100.00 %	446,947	348,253	795,200	100.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$446,947	\$348,253	\$795,200		\$446,947	\$348,253	\$795,200	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	1,458	0	0	1,458	0.00	1,458	0	0	1,458
DP 525 - Fixed Cost Adjustment	0.00	4,085	0	0	4,085	0.00	5,580	0	0	5,580
DP 527 - Inflation/Deflation Adjustment	0.00	(283)	0	0	(283)	0.00	(19)	0	0	(19)
DP 530 - Reorganization	0.00	315,622	0	0	315,622	0.00	315,622	0	0	315,622
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	26,065	0	0	26,065	0.00	25,612	0	0	25,612
DP 1901901 - POST Base Adjustments (Biennial)	0.00	100,000	0	0	100,000	0.00	0	0	0	0
Grand Total All Present Law Adjustments	0.00	\$446,947	\$0	\$0	\$446,947	0.00	\$348,253	\$0	\$0	\$348,253

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganization -

The legislature adopted the reorganization of the public safety officer standards and training functions from Division of Criminal Investigation to Public Safety Officer Standards and Training Program within the department. This included transfers of \$315,622 in general fund 3.00 FTE in FY 2016 and \$315,622 in general fund 3.00 FTE in FY 2017.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 1901901 - POST Base Adjustments (Biennial) -

The legislature approved an adjustment to move operating costs to the 2015 legislative base. The legislature designated this funding as biennial.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	19.00	19.00	18.27	18.26	19.00	18.26	(0.74)	(3.89)%
Personal Services	1,088,500	1,271,424	1,360,190	1,359,057	2,359,924	2,719,247	359,323	15.23 %
Operating Expenses	335,876	188,150	727,800	953,837	524,026	1,681,637	1,157,611	220.91 %
Total Costs	\$1,424,376	\$1,459,574	\$2,087,990	\$2,312,894	\$2,883,950	\$4,400,884	\$1,516,934	52.60 %
General Fund	438,941	486,246	772,221	905,781	925,187	1,678,002	752,815	81.37 %
State/Other Special Rev. Funds	958,546	946,722	1,283,450	1,372,072	1,905,268	2,655,522	750,254	39.38 %
Federal Spec. Rev. Funds	0	0	2,623	4,436	0	7,059	7,059	0.00 %
Proprietary Funds	26,889	26,606	29,696	30,605	53,495	60,301	6,806	12.72 %
Total Funds	\$1,424,376	\$1,459,574	\$2,087,990	\$2,312,894	\$2,883,950	\$4,400,884	\$1,516,934	52.60 %

Program Description

The Central Services Division (CSD) provides accounting; asset management; budgeting; fiscal management; human resources; internal controls; payroll and benefits; purchasing; training; and assistance with the implementation of policies, rules, and regulations for the Department of Justice. The program also administers payments to counties for a portion of the cost of the county attorney.

Program Highlights

Central Services Division Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Funding to move operating costs to the FY 2015 legislative budget

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 28-Central Services Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	1,678,002	0	5,907,834	7,585,836	73.59 %	
02006 Cigarette Fire Safety Standard	0	0	0	0	0.00 %	
02016 Criminal Justice Info Network	0	0	0	0	0.00 %	
02074 Gambling License Fee Account	205,944	0	0	205,944	7.76 %	
02140 Consumer Education Settlement	274,697	0	0	274,697	10.34 %	
02143 Drug Forfeitures-State	0	0	0	0	0.00 %	
02422 Highways Special Revenue	2,024,677	0	0	2,024,677	76.24 %	
02456 Insurance Verification SB508	0	0	0	0	0.00 %	
02790 6901-Statewide Tobacco Sttlmnt	0	0	0	0	0.00 %	
02797 CJIS - Background Checks	150,204	0	0	150,204	5.66 %	
02798 MVD IT System - HB261	0	0	0	0	0.00 %	
State Special Total	\$2,655,522	\$0	\$0	\$2,655,522	25.76 %	
03214 Special Law Enforcement Assist	0	0	0	0	0.00 %	
03800 Medicaid Fraud	7,059	0	0	7,059	100.00 %	
Federal Special Total	\$7,059	\$0	\$0	\$7,059	0.07 %	
06005 Liquor Division	60,301	0	0	60,301	100.00 %	
Proprietary Total	\$60,301	\$0	\$0	\$60,301	0.58 %	
Total All Funds	\$4,400,884	\$0	\$5,907,834	\$10,308,718		

The Central Services Division is funded by allocation of costs among the various funding sources supporting the department. General fund provides roughly 40% of the division’s HB 2 funding and the statutory appropriation that funds half of county attorney salaries. State special revenue, the largest source being the non-restricted account of highway state special revenue, provides roughly half of the division's HB 2 funding. Proprietary funds including liquor licensing fees provide the remainder of the division’s funding.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	486,246	486,246	972,492	57.96 %	1,459,574	1,459,574	2,919,148	66.33 %
PL Adjustments	285,975	419,535	705,510	42.04 %	628,416	853,320	1,481,736	33.67 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$772,221	\$905,781	\$1,678,002		\$2,087,990	\$2,312,894	\$4,400,884	

Present Law Adjustments

The “Present Law Adjustments” table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia	0.00	25,309	48,049	0	73,358	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	7,471	1,372	0	8,843	0.00	7,467	1,371	0	8,838
DP 516 - Correct State Share Health Insurance	0.00	37	0	0	37	0.00	41	0	0	41
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	8,983	15,582	0	24,565	0.00	8,983	15,582	0	24,565
DP 525 - Fixed Cost Adjustment	0.00	24,972	35,825	0	61,842	0.00	35,686	47,451	0	84,463
DP 526 - 2017 Biennium Legislative Audit	0.00	(313)	5,958	0	5,645	0.00	0	0	0	0
DP 527 - Inflation/Deflation Adjustment	0.00	(4,290)	0	0	(4,290)	0.00	(284)	0	0	(284)
DP 531 - SITSD Rate Adjustment	0.00	224,171	205,010	2,820	433,011	0.00	368,300	336,821	4,633	711,414
DP 532 - General Liability Insurance Rate Adjustment	0.00	(15,687)	(14,346)	(197)	(30,301)	0.00	(15,691)	(14,349)	(197)	(30,308)
DP 550 - Motor Pool Rate Adjustment	0.00	385	0	0	385	0.00	402	0	0	402
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	14,937	39,278	0	55,321	0.00	14,631	38,474	0	54,189
DP 2800444 - Statewide 4% FTE Reduction- Program 28	(0.73)	0	0	0	0	(0.74)	0	0	0	0
Grand Total All Present Law Adjustments	(0.73)	\$285,975	\$336,728	\$2,623	\$628,416	(0.74)	\$419,535	\$425,350	\$4,436	\$853,320

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restricted/Biennia -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature adjusted funding to correct an error in state share for health insurance calculation for present law adjustment PL 515.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 2800444 - Statewide 4% FTE Reduction- Program 28 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 2800444 includes a reduction of 0.74 FTE.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	38.80	38.80	37.08	37.08	38.80	37.08	(1.72)	(4.43)%
Personal Services	2,732,758	2,797,300	2,974,409	2,975,295	5,530,058	5,949,704	419,646	7.59 %
Operating Expenses	1,159,149	1,110,233	1,564,306	1,769,352	2,269,382	3,333,658	1,064,276	46.90 %
Equipment & Intangible Assets	15,299	36,820	36,820	36,820	52,119	73,640	21,521	41.29 %
Total Costs	\$3,907,206	\$3,944,353	\$4,575,535	\$4,781,467	\$7,851,559	\$9,357,002	\$1,505,443	19.17 %
General Fund	3,748,222	3,785,391	4,416,568	4,622,500	7,533,613	9,039,068	1,505,455	19.98 %
State/Other Special Rev. Funds	141,476	141,456	141,461	141,461	282,932	282,922	(10)	0.00 %
Federal Spec. Rev. Funds	2,652	2,651	2,651	2,651	5,303	5,302	(1)	(0.02)%
Proprietary Funds	14,856	14,855	14,855	14,855	29,711	29,710	(1)	0.00 %
Total Funds	\$3,907,206	\$3,944,353	\$4,575,535	\$4,781,467	\$7,851,559	\$9,357,002	\$1,505,443	19.17 %

Program Description

The Justice Information Technology Services Division (JITSD) provides a full range of information technology and criminal justice services for the department, including:

- System development and maintenance for all systems and platforms within the department including:
 - Montana Enhance Registration Licensing Network, (MERLIN)
 - Driver testing, and license/identification production
 - Integrated Justice Information System (IJIS) broker
 - SmartCop
 - Criminal Justice Information Network (CJIN)
 - Computerized Criminal History; Automated Biometric Identification System
 - Sexual or Violent Offender (SVOR) repository and web site
 - Laboratory Management Information System
 - GENTAX
- Support for the department's internal computers and systems
- Support for the Criminal Justice Information Network (CJIN), Montana Highway Patrol Integrated Public Safety System, End of Life Registry, Hope Card, Concealed Weapons, and Amber Alert

The division also provides direct and indirect support for statewide services to federal, state, and local law enforcement agencies to identify persons, process fingerprints, and store and disseminate criminal records. JITSD is also responsible for department information security, disaster recovery planning and implementation, and the information technology strategic planning.

Program Highlights

Information Technology Service Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding to annualize pay increases given in the 2015 biennium at the agency's discretion ◦ Funding to move operating costs to the FY 2015 legislative budget

Funding

The following table shows program funding by source from all sources of authority.

Department of Justice, 29-Information Technology Service Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	9,039,068	0	0	9,039,068	96.60 %	
02016 Criminal Justice Info Network	7,972	0	0	7,972	2.82 %	
02074 Gambling License Fee Account	35,132	0	0	35,132	12.42 %	
02422 Highways Special Revenue	136,572	0	0	136,572	48.27 %	
02797 CJIS - Background Checks	96,058	0	0	96,058	33.95 %	
02937 JUSTICE STATE SPECIAL MISC	7,188	0	0	7,188	2.54 %	
State Special Total	\$282,922	\$0	\$0	\$282,922	3.02 %	
03800 Medicaid Fraud	5,302	0	0	5,302	100.00 %	
Federal Special Total	\$5,302	\$0	\$0	\$5,302	0.06 %	
06005 Liquor Division	14,348	0	0	14,348	48.29 %	
06500 Agency Legal Services	15,362	0	0	15,362	51.71 %	
Proprietary Total	\$29,710	\$0	\$0	\$29,710	0.32 %	
Total All Funds	\$9,357,002	\$0	\$0	\$9,357,002		

The division is funded primarily with general fund and state special revenue from gambling licensing fees and highway state special revenue. The balance of the division's funding comes from a very small amount of federal funds (Medicaid) and proprietary funds, including liquor licensing fees and agency legal service fees.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	3,872,546	3,872,546	7,745,092	85.68 %	4,031,508	4,031,508	8,063,016	86.17 %
PL Adjustments	544,022	749,954	1,293,976	14.32 %	544,027	749,959	1,293,986	13.83 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$4,416,568	\$4,622,500	\$9,039,068		\$4,575,535	\$4,781,467	\$9,357,002	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	18,021	0	0	18,021	0.00	18,021	0	0	18,021
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	58,814	0	0	58,814	0.00	58,814	0	0	58,814
DP 525 - Fixed Cost Adjustment	0.00	475,320	0	0	475,320	0.00	649,190	0	0	649,190
DP 527 - Inflation/Deflation Adjustment	0.00	(32,972)	0	0	(32,972)	0.00	(2,181)	0	0	(2,181)
DP 550 - Motor Pool Rate Adjustment	0.00	10,452	0	0	10,452	0.00	10,837	0	0	10,837
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	14,387	5	0	14,392	0.00	15,273	5	0	15,278
DP 2900444 - Statewide 4% FTE Reduction - Program 29	(1.72)	0	0	0	0	(1.72)	0	0	0	0
Grand Total All Present Law Adjustments	(1.72)	\$544,022	\$5	\$0	\$544,027	(1.72)	\$749,954	\$5	\$0	\$749,959

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 2900444 - Statewide 4% FTE Reduction - Program 29 -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 2900444 includes a reduction of 1.72 FTE.

Department of Justice, 32-Forensic Science Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	8,236,113	0	0	8,236,113	91.77 %	
02349 Highway Non-Restricted Account	738,900	0	0	738,900	100.00 %	
State Special Total	\$738,900	\$0	\$0	\$738,900	8.23 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$8,975,013	\$0	\$0	\$8,975,013		

The division is funded primarily with general fund. State special revenue from non-restricted highway state special revenue funds provides the balance of the division’s funding and supports certification, equipment maintenance, and training of law enforcement in the use of breath testing equipment.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	3,837,188	3,837,188	7,674,376	93.18 %	4,198,056	4,198,056	8,396,112	93.55 %
PL Adjustments	123,701	145,242	268,943	3.27 %	130,293	155,814	286,107	3.19 %
New Proposals	148,932	143,862	292,794	3.56 %	148,932	143,862	292,794	3.26 %
Total Budget	\$4,109,821	\$4,126,292	\$8,236,113		\$4,477,281	\$4,497,732	\$8,975,013	

Present Law Adjustments

The “Present Law Adjustments” table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----				-----Fiscal 2017-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	14,459	1,360	0	15,819	0.00	14,459	1,360	0	15,819
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	54,177	0	0	54,177	0.00	54,177	0	0	54,177
DP 525 - Fixed Cost Adjustment	0.00	46,098	7,114	0	53,212	0.00	63,382	9,295	0	72,677
DP 527 - Inflation/Deflation Adjustment	0.00	(1,808)	(1,882)	0	(3,690)	0.00	(161)	(83)	0	(244)
DP 600 - 2015 Biennium Discretionary Pay Adjustments	0.00	10,775	0	0	10,775	0.00	13,385	0	0	13,385
DP 3200444 - Statewide 4% FTE Reduction	(1.75)	0	0	0	0	(1.75)	0	0	0	0
Grand Total All Present Law Adjustments	(1.75)	\$123,701	\$6,592	\$0	\$130,293	(1.75)	\$145,242	\$10,572	\$0	\$155,814

**Total Funds” amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 527 - Inflation/Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 600 - 2015 Biennium Discretionary Pay Adjustments -

The legislature funded discretionary pay adjustments the agency provided in the 2015 biennium.

DP 3200444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. Change package 3200444 includes a reduction of 1.75 FTE.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 3203202 - FSD Toxicologist	1.00	148,932	0	0	148,932	1.00	143,862	0	0	143,862
Total	1.00	\$148,932	\$0	\$0	\$148,932	1.00	\$143,862	\$0	\$0	\$143,862

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 3203202 - FSD Toxicologist -

The legislature funded the addition of 1.00 FTE toxicology scientist to address increased caseloads.

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	40.00	40.00	38.44	38.44	40.00	38.44	(1.56)
Personal Services	3,011,152	3,211,070	3,370,015	3,270,015	6,222,222	6,640,030	417,808
Operating Expenses	593,146	652,041	717,470	696,123	1,245,187	1,413,593	168,406
Equipment & Intangible Assets	0	0	0	0	0	0	0
Debt Service	6,075	6,080	6,080	6,080	12,155	12,160	5
Total Costs	\$3,610,373	\$3,869,191	\$4,093,565	\$3,972,218	\$7,479,564	\$8,065,783	\$586,219
State/Other Special Rev. Funds	3,537,037	3,786,168	4,020,229	3,898,882	7,323,205	7,919,111	595,906
Federal Spec. Rev. Funds	73,336	83,023	73,336	73,336	156,359	146,672	(9,687)
Total Funds	\$3,610,373	\$3,869,191	\$4,093,565	\$3,972,218	\$7,479,564	\$8,065,783	\$586,219

Agency Description

The Department of Public Service Regulation (PSR) regulates the operations of public utility and transportation industries that operate in the state. Five commissioners, elected from districts throughout Montana, form the Montana Public Service Commission (PSC) that oversees the Public Service Regulation Program (PSR). Each commissioner serves a four-year term.

Agency Highlights

Public Service Regulation Major Budget Highlights
<ul style="list-style-type: none"> • In total funds, biennial appropriations increased by 4.7%, or \$362,000 due primarily to approval of: <ul style="list-style-type: none"> ◦ Funding for costs associated with anticipated retirement payouts at a level \$100,000 lower than was requested ◦ Funding to annualize pay increases given at the discretion of the agency during the 2015 biennium ◦ Funding for computer equipment and software licenses

Summary of Legislative Action

The legislature approved the commission's budget with an increase of \$362,000, or 4.7%, over the 2015 biennium. The legislature funded the commission for most items requested except for additional funds for consultant services. Some requested items, such as retirement payouts and computer equipment were funded at lower levels than requested. The legislature adjusted rates for inflation and for fixed cost services provided from one agency to another. The impacts of these rate adjustments were included in the budget for the commission.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	0	0	0	0	0.00 %
State Special Total	7,919,111	0	0	7,919,111	98.18 %
Federal Special Total	146,672	0	0	146,672	1.82 %
Proprietary Total	0	0	0	0	0.00 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$8,065,783	\$0	\$0	\$8,065,783	
Percent - Total All Sources	100.00 %	0.00 %	0.00 %		

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	3,869,191	3,869,191	7,738,382	95.94 %
PL Adjustments	0	0	0	0.00 %	224,374	103,027	327,401	4.06 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$0	\$0	\$0		\$4,093,565	\$3,972,218	\$8,065,783	

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	40.00	38.44	38.44	0.00	38.44	38.44	0.00	0.00
Personal Services	3,011,152	3,529,678	3,370,015	(159,663)	3,328,639	3,270,015	(58,624)	(218,287)
Operating Expenses	593,146	761,214	717,470	(43,744)	757,975	696,123	(61,852)	(105,596)
Equipment & Intangible Assets	0	0	0	0	0	0	0	0
Debt Service	6,075	6,075	6,080	5	6,075	6,080	5	10
Total Costs	\$3,610,373	\$4,296,967	\$4,093,565	(\$203,402)	\$4,092,689	\$3,972,218	(\$120,471)	(\$323,873)
State/other Special Rev. Funds	3,537,037	4,223,631	4,020,229	(203,402)	4,019,353	3,898,882	(120,471)	(323,873)
Federal Spec. Rev. Funds	73,336	73,336	73,336	0	73,336	73,336	0	0
Total Funds	\$3,610,373	\$4,296,967	\$4,093,565	(\$203,402)	\$4,092,689	\$3,972,218	(\$120,471)	(\$323,873)

The legislative budget is \$324,000 lower in total funds and state special revenue than the executive budget. The main differences are:

- The legislature funded anticipated retirement payouts at a level \$100,000 lower than requested
- Funding was not approved for the executive implementation of the 2013 legislative pay plan
- Funding was not approved for additional consulting services
- Funding for fixed costs and inflation were approved at levels lower than requested

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	217.50	217.50	235.94	235.94	217.50	235.94	18.44
Personal Services	15,487,059	16,209,123	19,525,077	19,519,464	31,696,182	39,044,541	7,348,359
Operating Expenses	11,217,720	9,561,836	13,373,897	13,341,044	20,779,556	26,714,941	5,935,385
Equipment & Intangible Assets	0	18,554	18,554	18,554	18,554	37,108	18,554
Total Costs	\$26,704,779	\$25,789,513	\$32,917,528	\$32,879,062	\$52,494,292	\$65,796,590	\$13,302,298
General Fund	26,442,989	25,515,587	32,643,602	32,605,136	51,958,576	65,248,738	13,290,162
State/Other Special Rev. Funds	261,790	273,926	273,926	273,926	535,716	547,852	12,136
Total Funds	\$26,704,779	\$25,789,513	\$32,917,528	\$32,879,062	\$52,494,292	\$65,796,590	\$13,302,298

Agency Description

The primary mission of the statewide public defender system is to provide effective assistance of counsel to indigent persons accused of crime and other persons in civil cases who are entitled by law to the assistance of counsel at public expense.

The Office of State Public Defender administers the statewide public defender system that delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be indigent per statutory provisions and is accused of an offence that could result in the person's loss of life or liberty if convicted. The statewide public defender system that is supervised by the Public Defender Commission, an eleven member commission appointed by the Governor. The office is administratively attached to the Department of Administration but has authority in law to provide administrative functions as determined by the commission. The Public Defender Commission is responsible for the design, direction, and supervision of the system. The statewide public defender system also includes appellate defender functions.

Agency Highlights

**Office of State Public Defender
Major Budget Highlights**

- In HB 2 total funds, biennial appropriations increased by 20.4%, or \$11.2 million due primarily to approval of funding to:
 - Add 26.40 FTE to address caseloads
 - Provide a market adjustment for support staff
 - Be allocated at the discretion of the Public Defender Commission to address budget pressures during the biennium
 - Increase funds for contract attorneys to address caseloads
 - Add 1.00 FTE to address caseload issues in the Office of Appellate Defender
- The legislature made all funding for the department one-time-only to allow for the 2019 biennium budget to be created from a zero base
- The legislature designated all funding for the office as biennial
- For FY 2015, \$1.7 million in supplemental funding was appropriated to address anticipated budget shortfalls in the 2015 biennium

Summary of Legislative Action

The legislature approved the office's 2017 biennium HB 2 budget with an increase of \$11.2 million, or 20.4%, over the 2015 biennium. The following items were funded and drove the increase:

- Funding to add 26.40 FTE in the Office of Public Defender and 1.00 FTE in the Office of Appellate Defender to address caseload issues
- A market adjustment for support staff across the entire office
- Increased funding for contract attorneys to address caseloads
- A \$250,000 annual contingency fund to be allocated at the discretion of the Public Defender Commission to address budget pressures during the biennium

The legislature also designated all funding for the office, including the base, as one-time-only. As such, the budget for the 2019 biennium would be built from a zero base. The legislature also passed HB 627 to study the operations of the office to develop a long-term organizational plan that will allow the office to provide effective assistance of counsel to those that qualify. Designating the funding for the office as one-time-only and studying the office were intended to go hand-in-hand so the operational plan and the resources needed to provide it could be linked when deliberated by the 2017 Legislature.

Additionally, the legislature provided \$1.7 million general fund for FY 2015 to address projected budget shortfalls in the Office of Public Defender and Conflict Coordinator programs.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Office of State Public Defender Funding by Source of Authority 2017 Biennium Budget - Office of State Public Defender						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
General Fund	65,248,738	0	0	65,248,738	99.17 %	
State Special Total	547,852	0	0	547,852	0.83 %	
Federal Special Total	0	0	0	0	0.00 %	
Proprietary Total	0	0	0	0	0.00 %	
Other Total	0	0	0	0	0.00 %	
Total All Funds	\$65,796,590	\$0	\$0	\$65,796,590		
Percent - Total All Sources	100.00 %	0.00 %	0.00 %			

The office is funded primarily by the general fund. A small amount of state special revenue from reimbursements for services provided is also available to the office. The legislature designated all funding for the office as one-time-only for the 2017 biennium.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	27,115,587	27,115,587	54,231,174	83.11 %	27,389,513	27,389,513	54,779,026	83.26 %
PL Adjustments	5,278,015	5,239,549	10,517,564	16.12 %	5,278,015	5,239,549	10,517,564	15.98 %
New Proposals	250,000	250,000	500,000	0.77 %	250,000	250,000	500,000	0.76 %
Total Budget	\$32,643,602	\$32,605,136	\$65,248,738		\$32,917,528	\$32,879,062	\$65,796,590	

Other Legislation

HB 143 - HB 143 suspends a defendant's obligation to make payments for costs of assigned counsel during the period when the defendant is incarcerated. The fiscal note for HB 143 assumes a reduction in annual revenue to the state special revenue funds of the office. The fiscal note states that the collection of funds owed by an incarcerated defendant is very labor intensive and yields on average about \$0.16 per month per defendant. The fiscal note stated no expenditure savings, but the efficiencies gained from not having to account for these payments should translate to reduced workload of accounting staff in the office.

HB 627 - HB 627 created an interim task force to study the operations of the Office of State Public Defender to develop a long-term organizational plan that will allow the OPD to provide effective assistance of counsel to those that qualify. The office is tasked in the bill with providing information as requested to support the task force. Although no fiscal impacts were specified in the fiscal note the HB 627, the office will have workload impacts in monitoring and supporting the efforts of the task force.

SB 244 - SB 244 created a study for sentencing practices and policies. A representative from the Office of State Public Defender is listed as a member of the study commission. Other than workload impacts supporting the study, there are no budgetary impacts for the 2017 biennium. However, the policy recommendations and any subsequent law changes that come out of the study commission's recommendations could have budget impacts in future biennia.

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison	Base Budget	Executive Budget	Legislative Budget	Leg — Exec. Difference	Executive Budget	Legislative Budget	Leg — Exec. Difference	Biennium Difference
Budget Item	Fiscal 2014	Fiscal 2016	Fiscal 2016	Fiscal 2016	Fiscal 2017	Fiscal 2017	Fiscal 2017	Fiscal 16-17
FTE	217.50	256.00	235.94	(20.06)	256.00	235.94	(20.06)	(20.06)
Personal Services	15,487,059	21,001,395	19,525,077	(1,476,318)	21,152,582	19,519,464	(1,633,118)	(3,109,436)
Operating Expenses	11,217,720	13,009,921	13,373,897	363,976	13,096,914	13,341,044	244,130	608,106
Equipment & Intangible Assets	0	10,000	18,554	8,554	0	18,554	18,554	27,108
Total Costs	\$26,704,779	\$34,021,316	\$32,917,528	(\$1,103,788)	\$34,249,496	\$32,879,062	(\$1,370,434)	(\$2,474,222)
General Fund	26,442,989	33,759,526	32,643,602	(1,115,924)	33,987,706	32,605,136	(1,382,570)	(2,498,494)
State/other Special Rev. Funds	261,790	261,790	273,926	12,136	261,790	273,926	12,136	24,272
Total Funds	\$26,704,779	\$34,021,316	\$32,917,528	(\$1,103,788)	\$34,249,496	\$32,879,062	(\$1,370,434)	(\$2,474,222)

In both total funds and general fund the legislative budget is \$2.5 million lower than the executive budget. The main differences are that the legislature did not approve funding to:

- Annualize the full amount of executive implementation of the FY 2015 portion of the 2013 Legislative pay plan
- Annualize pay increases provided at the agency's discretion during the 2015 biennium
- Add 6.06 FTE in the Office of Public Defender that were funded by funding allocated to the Governor's Office in SB 410 of 2013 Legislature and were funded as modified positions to address caseload impacts
- Add 10.00 FTE in the Office of Public Defender to address caseload impacts
- Add 4.00 FTE in the Office of Public Defender as eligibility technicians and resource advocates
- Provide a 2% increase in the contract attorney rate in FY 2016 and an additional 2% increase in FY 2017
- Fund an attorney pay ladder

The legislature also designated all funding for the office, including the base, as one-time-only.

Language and Statutory Authority

The legislature included the following language in HB 2:

All appropriations for the Office of State Public Defender are biennial.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	202.50	202.50	219.94	219.94	202.50	219.94	17.44	8.61 %
Personal Services	14,293,630	14,939,083	18,206,016	18,200,673	29,232,713	36,406,689	7,173,976	24.54 %
Operating Expenses	6,709,591	6,022,917	8,180,024	8,150,304	12,732,508	16,330,328	3,597,820	28.26 %
Equipment & Intangible Assets	0	18,554	18,554	18,554	18,554	37,108	18,554	100.00 %
Total Costs	\$21,003,221	\$20,980,554	\$26,404,594	\$26,369,531	\$41,983,775	\$52,774,125	\$10,790,350	25.70 %
General Fund	20,741,431	20,706,628	26,130,668	26,095,605	41,448,059	52,226,273	10,778,214	26.00 %
State/Other Special Rev. Funds	261,790	273,926	273,926	273,926	535,716	547,852	12,136	2.27 %
Total Funds	\$21,003,221	\$20,980,554	\$26,404,594	\$26,369,531	\$41,983,775	\$52,774,125	\$10,790,350	25.70 %

Program Description

The Office of State Public Defender administers the statewide public defender system that delivers public defender services in all courts in Montana for criminal and certain civil cases for an individual who is determined to be financially unable to retain private counsel and who is accused of an offense that could result in the person’s loss of life or liberty if convicted. The office administers the statewide public defender system that is supervised by the Public Defender Commission. The office is administratively attached to the Department of Administration but has authority in law to provide administrative functions as determined by the commission.

The Public Defender Commission is responsible for the design, direction, and supervision of the system. The commission appoints the chief public defender, approves the strategic plan for the delivery of services, and approves statewide standards for qualifications and training of public defenders.

Program Highlights

Office of Public Defender Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding for a market pay adjustment for support staff ◦ Funding to add 26.40 FTE to address caseload growth ◦ Funding to address caseload growth through contract attorneys ◦ Funding for anticipated longevity pay in the 2017 biennium ◦ Funding to address office rent increases ◦ Funding to be used at the discretion of the Public Defender Commission to address system-wide pressures • All funding for this program was designated as one-time-only so the budget for the 2019 biennium is developed from a zero base • All funding for the program was designated as biennial • For FY 2015, \$100,000 in supplemental funding was appropriated to address anticipated budget shortfalls in the 2015 biennium

Funding

The following table shows program funding by source from all sources of authority.

Office of State Public Defender, 01-Office of Public Defender Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	52,226,273	0	0	52,226,273	98.96 %	
02249 Governor's Office Operations Fund	0	0	0	0	0.00 %	
02250 Court Ordered Sentencing Costs	547,852	0	0	547,852	100.00 %	
State Special Total	\$547,852	\$0	\$0	\$547,852	1.04 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$52,774,125	\$0	\$0	\$52,774,125		

The Office of the Public Defender is funded primarily from the general fund. A small amount of state special revenue from collection of reimbursement for services also supports the program. The legislature designated all funding for the office as one-time-only for the 2017 biennium.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	25,755,222	25,755,222	51,510,444	98.63 %	25,942,164	25,942,164	51,884,328	98.31 %
PL Adjustments	125,446	90,383	215,829	0.41 %	212,430	177,367	389,797	0.74 %
New Proposals	250,000	250,000	500,000	0.96 %	250,000	250,000	500,000	0.95 %
Total Budget	\$26,130,668	\$26,095,605	\$52,226,273		\$26,404,594	\$26,369,531	\$52,774,125	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restr/Biennial/OTO)	0.00	54,145	0	0	54,145	0.00	0	0	0	0
DP 515 - State Share Health Insurance (Biennial/OTO)	0.00	94,060	0	0	94,060	0.00	94,060	0	0	94,060
DP 520 - Fully Fund 2015 Legislatively Authorized FTE (Biennial/OTO)	0.00	271,550	0	0	271,550	0.00	271,550	0	0	271,550
DP 525 - Fixed Cost Adjustment (Biennial/OTO)	0.00	22,110	0	0	22,110	0.00	32,166	0	0	32,166
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial/OTO)	0.00	1,516	0	0	1,516	0.00	0	0	0	0
DP 527 - Inflation/Deflation Adjustment (Biennial/OTO)	0.00	(60,494)	0	0	(60,494)	0.00	(58,100)	0	0	(58,100)
DP 530 - Reorganization (Biennial/OTO)	0.00	(4,274,324)	0	0	(4,274,324)	0.00	(4,274,324)	0	0	(4,274,324)
DP 531 - SITSD Rate Adjustment	0.00	19,037	0	0	19,037	0.00	25,162	0	0	25,162
DP 532 - General Liability Insurance Rate Adjustment	0.00	(4,752)	0	0	(4,752)	0.00	(4,611)	0	0	(4,611)
DP 535 - Program Transfers (Biennial/OTO)	0.00	(102,114)	86,984	0	(15,130)	0.00	(102,114)	86,984	0	(15,130)
DP 550 - Motor Pool Rate Adjustment (Biennial/OTO)	0.00	(71,663)	0	0	(71,663)	0.00	(69,781)	0	0	(69,781)
DP 600 - Support Staff Market Pay Adjustment (Biennial/OTO)	0.00	625,000	0	0	625,000	0.00	625,000	0	0	625,000
DP 601 - Longevity Pay (Biennial/OTO)	0.00	101,375	0	0	101,375	0.00	101,375	0	0	101,375
DP 602 - Rent Increases (Biennial/OTO)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
DP 650 - Zero Base Office of State Public Defender Budget	0.00	(25,755,222)	(186,942)	0	(25,942,164)	0.00	(25,755,222)	(186,942)	0	(25,942,164)
DP 651 - Zero Base Office State Public Defender (Biennial/OTO)	0.00	25,755,222	186,942	0	25,942,164	0.00	25,755,222	186,942	0	25,942,164
DP 100001 - Support of Workload (Biennial/OTO)	26.40	3,000,000	0	0	3,000,000	26.40	3,000,000	0	0	3,000,000
DP 100002 - Contract Attorney Caseload (Biennial/OTO)	0.00	350,000	0	0	350,000	0.00	350,000	0	0	350,000
DP 100444 - Statewide 4% FTE Reduction	(8.96)	0	0	0	0	(8.96)	0	0	0	0
Grand Total All Present Law Adjustments	17.44	\$125,446	\$86,984	\$0	\$212,430	17.44	\$90,383	\$86,984	\$0	\$177,367

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restr/Biennial/OTO) -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance (Biennial/OTO) -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE (Biennial/OTO) -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment (Biennial/OTO) -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial/OTO) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 527 - Inflation/Deflation Adjustment (Biennial/OTO) -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganization (Biennial/OTO) -

The legislature adopted the reorganization of the Office of State Public Defender that formed the Conflict Coordinator program via movement of funding and staffing from the Office of Public Defender program and the Appellate Defender program. This reorganization included transfers of \$4,274,324 in general fund and 3.00 FTE in both FY 2016 and FY 2017 from this program.

DP 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 535 - Program Transfers (Biennial/OTO) -

The legislature adopted program transfers made by the department in the interim.

DP 550 - Motor Pool Rate Adjustment (Biennial/OTO) -

The legislature adopted a reduction to the motor pool rates.

DP 600 - Support Staff Market Pay Adjustment (Biennial/OTO) -

The legislature increased funding to provide market pay adjustments for support staff.

DP 601 - Longevity Pay (Biennial/OTO) -

The legislature funded longevity pay adjustments.

DP 602 - Rent Increases (Biennial/OTO) -

The legislature approved funding to address office rent increases.

DP 650 - Zero Base Office of State Public Defender Budget -

The legislature designated that all appropriations for the office are one-time-only. This adjustment reduces the ongoing portion of the FY 2015 legislative base and is offset by DP 651 that establishes the base as a one-time-only appropriation.

DP 651 - Zero Base Office State Public Defender (Biennial/OTO) -

The legislature designated that all appropriations for the office are one-time-only. This adjustment establishes the base as a one-time-only appropriation and is offset by DP 650 that removes the ongoing portion of the FY 2015 legislative base.

DP 100001 - Support of Workload (Biennial/OTO) -

The legislature funded the addition of 26.40 FTE to address caseloads. The funding is designated as biennial and one-time-only.

DP 100002 - Contract Attorney Caseload (Biennial/OTO) -

The legislature approved an increase in funding to hire contracted attorneys to address workload issues.

DP 100444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 8.96 FTE per year.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 100010 - Public Defender Com. Discretionary Funding (Biennial/OTO)	0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000
Total	0.00	\$250,000	\$0	\$0	\$250,000	0.00	\$250,000	\$0	\$0	\$250,000

**Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 100010 - Public Defender Com. Discretionary Funding (Biennial/OTO) -

The legislature approved funding to be used at the discretion of the public defender commission to address criminal caseload growth, dependent and neglect caseload funding pressures, appellate caseload pressure, or any other unforeseen fiscal pressures the agency might experience. This funding would be distributed among the programs by the

commission after needs are identified in a plan to the Office of Budget and Program Planning and approved by the budget director. The legislature designated this funding one-time-only and biennial.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	12.00	12.00	13.00	13.00	12.00	13.00	1.00	8.33 %
Personal Services	994,046	1,034,014	1,067,693	1,067,423	2,028,060	2,135,116	107,056	5.28 %
Operating Expenses	361,083	165,537	547,468	543,294	526,620	1,090,762	564,142	107.13 %
Total Costs	\$1,355,129	\$1,199,551	\$1,615,161	\$1,610,717	\$2,554,680	\$3,225,878	\$671,198	26.27 %
General Fund	1,355,129	1,199,551	1,615,161	1,610,717	2,554,680	3,225,878	671,198	26.27 %
State/Other Special Rev. Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$1,355,129	\$1,199,551	\$1,615,161	\$1,610,717	\$2,554,680	\$3,225,878	\$671,198	26.27 %

Program Description

The Appellate Defender Program provides appeal services for indigent citizens.

Program Highlights

Office of Appellate Defender Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding for a market pay adjustment for support staff ◦ Funding to address caseload growth through contract attorneys ◦ Funding for anticipated longevity pay in the 2017 biennium ◦ Funding to add 1.00 FTE to address caseload issues • All funding for this program was designated as one-time-only so the budget for the 2019 biennium is developed from a zero base • All funding for the program was designated as biennial

Funding

The following table shows program funding by source from all sources of authority.

Office of State Public Defender, 02-Office of Appellate Defender Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	3,225,878	0	0	3,225,878	100.00 %	
02250 Court Ordered Sentencing Costs	0	0	0	0	0.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$3,225,878	\$0	\$0	\$3,225,878		

The Office of Appellate Defender is supported entirely by the general fund. The legislature designated all funding for the office as one-time-only for the 2017 biennium.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	1,360,365	1,360,365	2,720,730	84.34 %	1,447,349	1,447,349	2,894,698	89.73 %
PL Adjustments	254,796	250,352	505,148	15.66 %	167,812	163,368	331,180	10.27 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$1,615,161	\$1,610,717	\$3,225,878		\$1,615,161	\$1,610,717	\$3,225,878	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance (Biennial/OTO)	0.00	5,832	0	0	5,832	0.00	5,832	0	0	5,832
DP 530 - Reorganization (Biennial/OTO)	0.00	(72,928)	0	0	(72,928)	0.00	(72,928)	0	0	(72,928)
DP 535 - Program Transfers (Biennial/OTO)	0.00	102,114	(86,984)	0	15,130	0.00	102,114	(86,984)	0	15,130
DP 550 - Motor Pool Rate Adjustment (Biennial/OTO)	0.00	(52)	0	0	(52)	0.00	(52)	0	0	(52)
DP 600 - Support Staff Market Pay Adjustment (Biennial/OTO)	0.00	5,500	0	0	5,500	0.00	5,500	0	0	5,500
DP 601 - Longevity Pay (Biennial/OTO)	0.00	7,919	0	0	7,919	0.00	7,919	0	0	7,919
DP 650 - Zero Base Office of State Public Defender Budget	0.00	(1,360,365)	(86,984)	0	(1,447,349)	0.00	(1,360,365)	(86,984)	0	(1,447,349)
DP 651 - Zero Base Office State Public Defender (Biennial/OTO)	0.00	1,360,365	86,984	0	1,447,349	0.00	1,360,365	86,984	0	1,447,349
DP 200002 - Support Workload (Biennial/OTO)	1.00	106,411	0	0	106,411	1.00	101,967	0	0	101,967
DP 200003 - Contract Attorney Caseload (Biennial/OTO)	0.00	100,000	0	0	100,000	0.00	100,000	0	0	100,000
Grand Total All Present Law Adjustments	1.00	\$254,796	(\$86,984)	\$0	\$167,812	1.00	\$250,352	(\$86,984)	\$0	\$163,368

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance (Biennial/OTO) -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 530 - Reorganization (Biennial/OTO) -

The legislature adopted the reorganization of the Office of State Public Defender that formed the Conflict Coordinator program via movement of funding and staffing from the Office of Public Defender program and the Appellate Defender program. This reorganization included transfers of \$72,928 in general fund in both FY 2016 and FY 2017 from this program.

DP 535 - Program Transfers (Biennial/OTO) -

The legislature adopted program transfers made by the department in the interim.

DP 550 - Motor Pool Rate Adjustment (Biennial/OTO) -

The legislature adopted a reduction to the motor pool rates.

DP 600 - Support Staff Market Pay Adjustment (Biennial/OTO) -

The legislature increased funding to provide market pay adjustments for support staff.

DP 601 - Longevity Pay (Biennial/OTO) -

The legislature funded longevity pay adjustments.

DP 650 - Zero Base Office of State Public Defender Budget -

The legislature designated that all appropriations for the office are one-time-only. This adjustment reduces the ongoing portion of the FY 2015 legislative base and is offset by DP 651 that establishes the base as a one-time-only appropriation.

DP 651 - Zero Base Office State Public Defender (Biennial/OTO) -

The legislature designated that all appropriations for the office are one-time-only. This adjustment establishes the base as a one-time-only appropriation and is offset by DP 650 that removes the ongoing portion of the FY 2015 legislative base.

DP 200002 - Support Workload (Biennial/OTO) -

The legislature increased funding to add 1.00 FTE attorney to address workload issues.

DP 200003 - Contract Attorney Caseload (Biennial/OTO) -

The legislature approved funding to cover an increase in contractor costs. The funding was designated as biennial and one-time-only.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	3.00	3.00	3.00	3.00	3.00	3.00	0.00	0.00 %
Personal Services	199,383	236,026	251,368	251,368	435,409	502,736	67,327	15.46 %
Operating Expenses	4,147,046	3,373,382	4,646,405	4,647,446	7,520,428	9,293,851	1,773,423	23.58 %
Total Costs	\$4,346,429	\$3,609,408	\$4,897,773	\$4,898,814	\$7,955,837	\$9,796,587	\$1,840,750	23.14 %
General Fund	4,346,429	3,609,408	4,897,773	4,898,814	7,955,837	9,796,587	1,840,750	23.14 %
Total Funds	\$4,346,429	\$3,609,408	\$4,897,773	\$4,898,814	\$7,955,837	\$9,796,587	\$1,840,750	23.14 %

Program Description

The Conflict Coordinator program administrates cases involving a conflict of interest and receives cases from both the Office of Public Defender and Office of Appellate Defender programs.

Program Highlights

Conflict Coordinator Major Budget Highlights
<ul style="list-style-type: none"> • The budget adjustments approved by the legislature include: <ul style="list-style-type: none"> ◦ Funding to annualize the 2013 legislative pay plan except for the 2% amount of the executive implementation ◦ Funding for a market pay adjustment for support staff ◦ Funding to address caseload growth through contract attorneys ◦ Funding for anticipated longevity pay in the 2017 biennium • All funding for this program was designated as one-time-only so the budget for the 2019 biennium is developed from a zero base • All funding for the program was designated as biennial • For FY 2015, \$1.6 million in supplemental funding was appropriated to address anticipated budget shortfalls in the 2015 biennium

Funding

The following table shows program funding by source from all sources of authority.

Office of State Public Defender, 03-Conflict Coordinator Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	9,796,587	0	0	9,796,587	100.00 %	
State Special Total	\$0	\$0	\$0	\$0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$9,796,587	\$0	\$0	\$9,796,587		

The Conflict Coordinator program is supported entirely by the general fund. The legislature designated all funding for the office as one-time-only for the 2017 biennium.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	4,897,773	4,898,814	9,796,587	100.00 %	4,897,773	4,898,814	9,796,587	100.00 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$4,897,773	\$4,898,814	\$9,796,587		\$4,897,773	\$4,898,814	\$9,796,587	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance (Biennial/OTO)	0.00	5,832	0	0	5,832	0.00	5,832	0	0	5,832
DP 516 - Correct State Share Health Insurance (Biennial/OTO)	0.00	(3,888)	0	0	(3,888)	0.00	(3,888)	0	0	(3,888)
DP 530 - Reorganization (Biennial/OTO)	0.00	4,347,252	0	0	4,347,252	0.00	4,347,252	0	0	4,347,252
DP 600 - Support Staff Market Pay Adjustment (Biennial/OTO)	0.00	7,500	0	0	7,500	0.00	7,500	0	0	7,500
DP 601 - Longevity Pay (Biennial/OTO)	0.00	5,898	0	0	5,898	0.00	5,898	0	0	5,898
DP 603 - Funding Not Captured in Reorganization (Biennial/OTO)	0.00	35,179	0	0	35,179	0.00	36,220	0	0	36,220
DP 300001 - Contract Attorney Caseload (Biennial/OTO)	0.00	500,000	0	0	500,000	0.00	500,000	0	0	500,000
Grand Total All Present Law Adjustments	0.00	\$4,897,773	\$0	\$0	\$4,897,773	0.00	\$4,898,814	\$0	\$0	\$4,898,814

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance (Biennial/OTO) -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance (Biennial/OTO) -

The legislature reduced funding to correct an error in state share for health insurance calculation for present law adjustment PL 515.

DP 530 - Reorganization (Biennial/OTO) -

The legislature adopted the reorganization of the Office of State Public Defender that formed the Conflict Coordinator via movement of funding and staffing from the Office of Public Defender program and the Appellate Defender program. This reorganization included transfers of \$4,347,252 in general fund and 3.00 FTE in both FY 2016 and FY 2017 to this program.

DP 600 - Support Staff Market Pay Adjustment (Biennial/OTO) -

The legislature increased funding to provide market pay adjustments for support staff.

DP 601 - Longevity Pay (Biennial/OTO) -

The legislature funded longevity pay adjustments.

DP 603 - Funding Not Captured in Reorganization (Biennial/OTO) -

The legislature approved an increase in funding that was not captured in the FY 2015 base associated with the reorganization of the office that created this program.

DP 300001 - Contract Attorney Caseload (Biennial/OTO) -

The legislature approved an increase in funding to hire contracted attorneys to address workload issues.

Agency Budget Comparison

The following table compares 2014 actuals expenditures without one-time appropriations plus 2015 estimated appropriations including one-time appropriations, but excluding certain base appropriations to the 2017 biennial total legislative budget. The comparison is listed by year, type of expenditure, and source of funding. The biennial percent change column has been eliminated to allow for the transition to a comparison of biennial appropriations consistent with SB 140 in the future. The biennial appropriation growth/decline is listed in the agency highlight tables and the expenditure section of Volume 1 of this Fiscal Report.

Agency Budget Comparison							
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change
FTE	1,281.89	1,281.89	1,274.52	1,274.52	1,281.89	1,274.52	(7.37)
Personal Services	74,213,255	75,563,723	85,808,976	85,766,282	149,776,978	171,575,258	21,798,280
Operating Expenses	105,766,792	106,391,602	114,645,404	116,054,130	212,158,394	230,699,534	18,541,140
Equipment & Intangible Assets	152,852	127,851	167,852	177,852	280,703	345,704	65,001
Capital Outlay	20,773	0	20,773	20,773	20,773	41,546	20,773
Benefits & Claims	2,460,387	2,080,087	540,598	540,598	4,540,474	1,081,196	(3,459,278)
Transfers	3,260,421	3,715,659	194,467	194,467	6,976,080	388,934	(6,587,146)
Debt Service	265,248	259,329	308,938	308,938	524,577	617,876	93,299
Total Costs	\$186,139,728	\$188,138,251	\$201,687,008	\$203,063,040	\$374,277,979	\$404,750,048	\$30,472,069
General Fund	181,629,002	182,099,010	196,762,815	198,133,433	363,728,012	394,896,248	31,168,236
State/Other Special Rev. Funds	4,444,319	5,960,225	4,821,418	4,822,378	10,404,544	9,643,796	(760,748)
Federal Spec. Rev. Funds	240	16,005	0	0	16,245	0	(16,245)
Proprietary Funds	66,167	63,011	102,775	107,229	129,178	210,004	80,826
Total Funds	\$186,139,728	\$188,138,251	\$201,687,008	\$203,063,040	\$374,277,979	\$404,750,048	\$30,472,069

Agency Description

The Department of Corrections (DOC), authorized in section 2-15-2301, MCA, is directed in section 53-1-201, MCA, to "utilize at maximum efficiency the resources of state government in a coordinated effort to: 1) develop and maintain comprehensive services and programs in the field of adult and youth corrections; and 2) provide for the care, protection, and mental and physical development of youth alleged to be youth in need of supervision, or delinquent youth who are referred or committed to the department." The department's six programs are:

- Director's Office including the Director's Office, Information Technology Division, Business Management Services Division, and the administratively attached Board of Pardons and Parole
- Probation and Parole Division including probation and parole; Treasure State Correctional Training Center (TSCTC); contracted pre-release centers; DUI Unit (Warm Springs Addictions Treatment and Change Program (WATCH)); Elkhorn and Nexus methamphetamine treatment centers, Missoula Assessment and Sanction Center (MASC); and the Sanction, Treatment, Assessment, Revocation, and Transition Center (START)
- Secure Custody including Montana State Prison (MSP), Montana Women's Prison (MWP), contract beds including regional prisons in Great Falls and Glendive, and a privately operated prison (Crossroads Correctional Center) in Shelby
- Montana Correctional Enterprises (MCE) including agriculture, ranching, industries, vocational education, food factory, license plate factory, fire crew and inmate canteen
- Youth Services Division including statewide juvenile community corrections functions, Riverside Youth Correctional Facility, the Transition Center, and Pine Hills Youth Correctional Facility
- Clinical services including division administration and the medical and mental health services provided at the Montana State Prison (MSP), Treasure State Correctional Training Center (TSCTC), Montana Women's Prison (MWP), and the two youth correctional facilities, either directly by DOC staff or through contracted healthcare providers. The division also has oversight of the health services provided at contracted facilities.

Agency Highlights

**Department of Corrections
Major Budget Highlights**

- In HB 2 total funds, biennial appropriations increased by 6.5%, or \$24.6 million due primarily to approval of funding to:
 - Annualize beds at contracted facilities
 - Provide inflationary adjustments for costs of treating inmates outside the state facilities
 - Provide a 2% annual provider rate increase for facilities providing services to the Probation and Parole Division and for the Shelby prison
 - Increase pay for correctional officers
 - Increase overtime and inmate pay
 - Replace state special revenue funding with general fund for probation and parole office rent costs
 - Provide a prevailing wage increase specified in the contract for services at the Shelby prison
 - Add 6.00 FTE probation and parole officers to address workload impacts
 - Add 2.50 FTE for health services at the Montana Woman's Prison as one-time-only
 - Add 5.00 FTE correctional officers for the Lewistown infirmary as one-time-only
 - Annualize pay increases provided by the department during the 2015 biennium
- In HB 2 general fund, biennial appropriations increased by 7.3%, or \$26.8 million for mostly the same reasons as total funds
- Juvenile delinquency intervention and prevention funds and their administration, including funding for 4.00 FTE, was moved from the agency to the Judicial Branch to implement HB 233

Summary of Legislative Action

The legislature approved the department's 2017 biennium HB 2 budget with an increase of \$24.6 million, or 6.5%, over the 2015 biennium. The following items were funded and drove the increase:

- Annualization of beds at contracted facilities
- Inflationary adjustments for costs of treating inmates outside the state facilities
- A 2% annual provider rate increase for contracted providers
- A prevailing wage increase specified in the contract for services at the Shelby prison

Offsetting the increases was a reduction when funding for Judicial Branch juvenile placement funds and their administration was moved to the Judicial Branch.

Additionally, the legislature provided \$5.5 million general fund for FY 2015 to address projected budget shortfalls in the Secure Custody Facilities program, due mostly to housing offenders in county jails.

Funding

The following table shows agency funding by source of authority. Funding for each program is discussed in detail in the individual program narratives that follow.

Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
General Fund	394,896,248	0	0	394,896,248	91.75 %
State Special Total	9,643,796	0	842,651	10,486,447	2.44 %
Federal Special Total	0	0	0	0	0.00 %
Proprietary Total	210,004	24,824,622	0	25,034,626	5.82 %
Other Total	0	0	0	0	0.00 %
Total All Funds	\$404,750,048	\$24,824,622	\$842,651	\$430,417,321	
Percent - Total All Sources	94.04 %	5.77 %	0.20 %		

The department receives most of its funding from the general fund, with a small amount coming from state special revenue. The four largest state special revenue funds are:

- The canteen revolving fund, which receives revenue from the sale of items (such as personal hygiene items) to inmates
- Probation and parole supervision fees collected from offenders under the supervision of the department
- Offender restitution collected from restitution payments collected from offenders
- Pine Hills donations, interest, and income funds that come mostly from the Pine Hills trust lands
- Juvenile placement costs of care that comes from payments made by parents and other responsible parties toward the costs of care of juveniles under the supervision of juvenile parole (Corrections) or juvenile probation (Judicial Branch)

The remainder of the department’s funding comes from proprietary funds such as license plate manufacturing and prison ranch operations.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	186,186,396	186,186,396	372,372,792	94.30 %	192,225,637	192,225,637	384,451,274	94.98 %
PL Adjustments	12,747,241	13,069,890	25,817,131	6.54 %	11,595,251	11,923,314	23,518,565	5.81 %
New Proposals	(2,170,822)	(1,122,853)	(3,293,675)	(0.83)%	(2,133,880)	(1,085,911)	(3,219,791)	(0.80)%
Total Budget	\$196,762,815	\$198,133,433	\$394,896,248		\$201,687,008	\$203,063,040	\$404,750,048	

Other Legislation

HB 28 - HB 28 requires the Board of Pardons and Parole to audio-record and video-record meetings of the board and all hearings held to consider parole, rescission, revocation, or clemency decisions and to make the recordings available to the public. The fiscal note for HB 28 assumed costs of \$145,638 in FY 2016 and \$101,770 in FY 2017 to implement the provisions of HB 28. No funding was provided in the bill or included in HB 2 for this bill.

HB 111 - HB 111 changes the sentence for felony driving under the influence of alcohol or drug convictions from 13 months to no less than 13 months and up to 2 years. The fiscal note for HB 111 assumed the potential costs for the potential 11 additional months, which could result in \$335,868 additional costs for housing offenders under the potentially longer sentence. No funding was provided in the bill or included in HB 2 for this bill.

HB 233 - HB 233 transferred the administration of juvenile placements funds from the department to the Judicial Branch. HB 2 includes the transfer of the funding for the administration, including 4.00 FTE, and for Judicial Branch juvenile

placement funds. Refer to new proposal DP 100233 in the Supreme Court Operations program of the Judicial Branch and new proposal DP 500233 in the Youth Services program of the Department of Corrections for the transfer of these functions to implement HB 233.

Executive Budget Comparison

The following table compares the legislative budget for the 2017 biennium to the budget requested by the Governor, by type of expenditure and source of funding.

Executive Budget Comparison								
Budget Item	Base Budget Fiscal 2014	Executive Budget Fiscal 2016	Legislative Budget Fiscal 2016	Leg — Exec. Difference Fiscal 2016	Executive Budget Fiscal 2017	Legislative Budget Fiscal 2017	Leg — Exec. Difference Fiscal 2017	Biennium Difference Fiscal 16-17
FTE	1,281.89	1,283.52	1,274.52	(9.00)	1,283.52	1,274.52	(9.00)	(9.00)
Personal Services	74,213,255	87,600,561	85,808,976	(1,791,585)	87,556,285	85,766,282	(1,790,003)	(3,581,588)
Operating Expenses	105,766,792	116,215,902	114,645,404	(1,570,498)	117,508,863	116,054,130	(1,454,733)	(3,025,231)
Equipment & Intangible Assets	152,852	189,652	167,852	(21,800)	213,652	177,852	(35,800)	(57,600)
Capital Outlay	20,773	20,773	20,773	0	20,773	20,773	0	0
Benefits & Claims	2,460,387	2,460,387	540,598	(1,919,789)	2,460,387	540,598	(1,919,789)	(3,839,578)
Transfers	3,260,421	3,260,421	194,467	(3,065,954)	3,260,421	194,467	(3,065,954)	(6,131,908)
Debt Service	265,248	308,938	308,938	0	308,938	308,938	0	0
Total Costs	\$186,139,728	\$210,056,634	\$201,687,008	(\$8,369,626)	\$211,329,319	\$203,063,040	(\$8,266,279)	(\$16,635,905)
General Fund	181,629,002	204,953,652	196,762,815	(8,190,837)	206,227,914	198,133,433	(8,094,481)	(16,285,318)
State/other Special Rev. Funds	4,444,319	4,994,880	4,821,418	(173,462)	4,995,068	4,822,378	(172,690)	(346,152)
Federal Spec. Rev. Funds	240	240	0	(240)	240	0	(240)	(480)
Other	66,167	107,862	102,775	(5,087)	106,097	107,229	1,132	(3,955)
Total Funds	\$186,139,728	\$210,056,634	\$201,687,008	(\$8,369,626)	\$211,329,319	\$203,063,040	(\$8,266,279)	(\$16,635,905)

The legislative budget is \$16.6 million in total funds and \$16.3 million in general fund lower than the executive request. The main differences are:

- Funding was not provided to add 1.00 FTE psychiatrist at the Montana State Prison or to replace information technology and radio equipment
- Funding was provided at different levels than requested to add 6.00 FTE probation and parole officers instead of the 10.00 FTE requested
- Juvenile delinquency intervention and prevention funds and their administration, including funding for 4.00 FTE, was moved from the agency to the Judicial Branch to implement HB 233

Language and Statutory Authority

The legislature included the following language in HB 2:

Probation and Parole Division includes funding for payment of contracted treatment and prerelease beds. It is the intent of the legislature that, within existing funding at the contracted rate, the department of corrections may pay for beds filled at up to 110% of the contracted bed levels for treatment and prerelease beds.

All appropriations for Probation & Parole Division and Secure Custody Facilities not otherwise identified in a separate appropriation item are biennial.

Secure Custody Facilities includes funding to hold inmates in county jails. It is the intent of the legislature that the department of corrections may pay no more than \$69 per day to hold an inmate in any county jail. If the department of corrections certifies to the budget director that it cannot obtain the number of beds required to house inmates in county jails at the \$69 rate and the budget director verifies the certification, Secure Custody Facilities is increased by \$174,820 general fund each year of the 2017 biennium. It is the intent of the legislature that once the budget director verifies the certification, the department of corrections may pay no more than \$72.50 per day to hold an inmate in any county jail.

If HB 233 is not passed and approved, Youth Services is increased in general fund money by \$5,068,979 in FY 2016 and by \$5,068,622 in FY 2017, in state special revenue by \$171,718 in FY 2016 and by \$171,718 in FY 2017, and in federal special revenue by \$240 in FY 2016 and by \$240 in FY 2017.

(Note: HB 233 has become law so this contingency language does not apply and the adjustments in the Youth Services Program under new proposal DP 500233 remain in effects.)

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	107.00	107.00	105.48	105.48	107.00	105.48	(1.52)	(1.42)%
Personal Services	6,770,033	7,319,543	8,141,740	8,144,660	14,089,576	16,286,400	2,196,824	15.59 %
Operating Expenses	4,752,592	4,774,523	5,231,193	5,241,474	9,527,115	10,472,667	945,552	9.92 %
Equipment & Intangible Assets	0	0	0	0	0	0	0	0.00 %
Total Costs	\$11,522,625	\$12,094,066	\$13,372,933	\$13,386,134	\$23,616,691	\$26,759,067	\$3,142,376	13.31 %
General Fund	10,977,647	11,273,139	12,820,945	12,829,126	22,250,786	25,650,071	3,399,285	15.28 %
State/Other Special Rev. Funds	478,811	757,916	449,213	449,779	1,236,727	898,992	(337,735)	(27.31)%
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Proprietary Funds	66,167	63,011	102,775	107,229	129,178	210,004	80,826	62.57 %
Total Funds	\$11,522,625	\$12,094,066	\$13,372,933	\$13,386,134	\$23,616,691	\$26,759,067	\$3,142,376	13.31 %

Program Description

The Director's Office includes the Director's Office, Information Technology Division, Business Management Services Division and the administratively attached Board of Pardons and Parole. This program provides services to the department, governmental entities, and the public in the areas of: public and victim information, human resource management, staff development and training, American Indian liaison services, policy management, information technology, legal information, technical correctional services, research and statistics, project management, payroll, budgeting and program planning, contract development, federal grants management, victim restitution, supervision fee collection, accounting, and various administrative and management support functions.

Program Highlights

Director's Office Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 biennium legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding reductions as the result of an agency reorganization during the 2015 biennium that moved funding for outside medical costs to the Clinical Services Program ◦ Funding for pay changes made at the agency's discretion during the 2015 biennium and for anticipated longevity pay in the 2017 biennium ◦ Funding for costs for a certification with the American Correctional Association for the Board of Pardons and Parole

Funding

The following table shows program funding by source from all sources of authority.

Department of Corrections, 01-Director's Office Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	25,650,071	0	0	25,650,071	95.86 %	
02249 Governor's Office Operations Fund	0	0	0	0	0.00 %	
02251 Corrections Operations Account	0	0	0	0	0.00 %	
02261 P & P Supervisory Fee	0	0	0	0	0.00 %	
02355 Miscellaneous Fines and Fees	9,660	0	0	9,660	1.07 %	
02689 Offender Restitution	883,616	0	0	883,616	98.29 %	
02917 MSP Canteen Revolving Acct	5,716	0	0	5,716	0.64 %	
State Special Total	\$898,992	\$0	\$0	\$898,992	3.36 %	
03315 Misc Federal Grants	0	0	0	0	0.00 %	
03316 MBCC Grants	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
06033 Prison Ranch	42,534	0	0	42,534	20.25 %	
06034 MSP Institutional Industries	123,140	0	0	123,140	58.64 %	
06545 Prison Indust. Training Prog	1,186	0	0	1,186	0.56 %	
06572 MCE License Plate Production	3,516	0	0	3,516	1.67 %	
06573 MSP - Cook Chill	39,628	0	0	39,628	18.87 %	
Proprietary Total	\$210,004	\$0	\$0	\$210,004	0.78 %	
Total All Funds	\$26,759,067	\$0	\$0	\$26,759,067		

The bulk of the funding for this program comes from the general fund. A small amount of the program's funding comes from state special revenue, primarily from fees charged for the collection of restitution from offenders. The remainder of the program's funding comes from proprietary funds such as the prison ranch, industries program, and cook chill operation.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	20,406,308	20,406,308	40,812,616	159.11 %	21,227,235	21,227,235	42,454,470	158.65 %
PL Adjustments	(7,585,363)	(7,577,182)	(15,162,545)	(59.11)%	(7,854,302)	(7,841,101)	(15,695,403)	(58.65)%
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$12,820,945	\$12,829,126	\$25,650,071		\$13,372,933	\$13,386,134	\$26,759,067	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restr/Biennial)	0.00	108,291	0	0	108,291	0.00	0	0	0	0
DP 515 - State Share Health Insurance	0.00	51,263	0	0	51,263	0.00	51,263	0	0	51,263
DP 516 - Correct State Share Health Insurance	0.00	(1,205)	3,402	0	2,197	0.00	(1,205)	3,402	0	2,197
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	144,605	0	0	144,605	0.00	144,605	0	0	144,605
DP 525 - Fixed Cost Adjustment	0.00	705,252	5,252	0	750,268	0.00	725,710	5,818	0	775,746
DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial)	0.00	3,031	0	0	3,031	0.00	0	0	0	0
DP 527 - Inflation\Deflation Adjustment	0.00	(330,281)	0	0	(330,281)	0.00	(266,001)	0	0	(266,001)
DP 530 - Reorganizations	0.00	(9,192,456)	0	0	(9,192,456)	0.00	(9,192,456)	0	0	(9,192,456)
DP 531 - SITSD Rate Adjustment	0.00	94,373	0	0	94,373	0.00	134,850	0	0	134,850
DP 532 - General Liability Insurance Rate Adjustment	0.00	(85,020)	0	0	(85,020)	0.00	(85,020)	0	0	(85,020)
DP 535 - Program Transfers	0.00	39,287	0	0	39,287	0.00	39,287	0	0	39,287
DP 536 - Other 2015 Biennium Budget Adjustments	0.00	425,157	(317,357)	0	107,800	0.00	428,838	(317,357)	0	111,481
DP 550 - Motor Pool Rate Adjustment	0.00	(11,991)	0	0	(11,991)	0.00	(11,306)	0	0	(11,306)
DP 600 - 2015 Biennium Career Increment Pay Increases	0.00	61,531	0	0	61,531	0.00	61,531	0	0	61,531
DP 601 - Longevity Pay Increases	0.00	38,196	0	0	38,196	0.00	38,196	0	0	38,196
DP 602 - 2015 Biennium Other Pay Increases	0.00	179,014	0	0	179,014	0.00	179,014	0	0	179,014
DP 603 - Correctional Officer and Market Pay Adjustments	0.00	146,802	0	0	146,802	0.00	146,802	0	0	146,802
DP 100003 - Present Law Base Adjustment - BOPP	0.00	28,688	0	0	28,688	0.00	28,710	0	0	28,710
DP 100004 - American Correctional Association Certification (OTO)	0.00	10,100	0	0	10,100	0.00	0	0	0	0
DP 100444 - Statewide 4% FTE Reduction	(1.52)	0	0	0	0	(1.52)	0	0	0	0
Grand Total All Present Law Adjustments	(1.52)	(\$7,585,363)	(\$308,703)	\$0	(\$7,854,302)	(1.52)	(\$7,577,182)	(\$308,137)	\$0	(\$7,841,101)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 510 - Legislative Audit - HB 2 2014 Fixed Costs (Restr/Biennial) -

The legislature provided a restricted biennial appropriation for the legislative audit costs. The funding is established at the level of the 2015 biennial appropriation contained in HB 2 as enacted by the 2013 Legislature.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 525 - Fixed Cost Adjustment -

The legislature adopted proprietary rates for fixed costs charged to state agencies for services such as information technology or rent and grounds maintenance within the capitol complex. Rates for messenger services, legislative audit, grounds maintenance, records management, agency legal costs, and the statewide cost allocation plan were adopted as proposed by the executive. The legislature lowered proprietary rates for warrant writer, payroll services, SABHRS, SITSD fees, and rent. The legislature increased insurance premiums to provide for increased costs of claims and to establish a reserve for the insurance fund.

DP 526 - 2017 Biennium Legislative Audit (Restricted/Biennial) -

The legislature adjusted legislative audit costs and funding based on the current estimate of the Legislative Auditor.

DP 527 - Inflation\Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganizations -

The legislature adopted the reorganization of the management for medical services from the Director's Office, Probation and Parole Division, Secure Custody Facilities Program, and Youth Services Program to for the Clinical Services Division within the department. This included transfers of \$9.2 million in general fund and 0.50 FTE in each FY 2016 and FY 2017 from this program.

DP 531 - SITSD Rate Adjustment -

The legislature approved an increase for fixed cost rates included in state agency budgets for information technology services provided by the State Information Technology Services Division (SITSD).

DP 532 - General Liability Insurance Rate Adjustment -

The legislature reduced the rate assessed to state agencies for general liability insurance provided by the Risk Management and Tort Defense Division.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$39,287 in general fund in each FY 2016 and FY 2017 from the Youth Services Program to this program.

DP 536 - Other 2015 Biennium Budget Adjustments -

The legislature approved various unspecified budget adjustments to move operating expenses to the FY 2015 legislative base.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Career Increment Pay Increases -

The legislature approved funding to annualize career increment pay increases provided by the agency during the 2015 biennium.

DP 601 - Longevity Pay Increases -

The legislature funded longevity pay adjustments.

DP 602 - 2015 Biennium Other Pay Increases -

The legislature approved funding to annualize various pay increases that were not for correctional officer or probation officer market movement, market adjustment to move employees to the entry level for the pay band, career increment movement, or longevity that were provided by the agency during the 2015 biennium.

DP 603 - Correctional Officer and Market Pay Adjustments -

The legislature funded pay adjustments given in the 2015 biennium for correctional and probation officer increments and adjustment to raise employees to 80% of market.

DP 100003 - Present Law Base Adjustment - BOPP -

The legislature funded adjustments for building lease increases and board member per diem.

DP 100004 - American Correctional Association Certification (OTO) -

The legislature funded costs for a certification with the American Correctional Association and designated this funding as one-time-only.

DP 100444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.52 FTE per year.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	256.50	256.50	258.50	258.50	256.50	258.50	2.00	0.78 %
Personal Services	15,921,993	15,086,799	17,280,767	17,266,348	31,008,792	34,547,115	3,538,323	11.41 %
Operating Expenses	47,196,650	48,918,496	50,698,616	51,505,149	96,115,146	102,203,765	6,088,619	6.33 %
Equipment & Intangible Assets	18,235	12,500	18,235	18,235	30,735	36,470	5,735	18.66 %
Transfers	6,250	6,250	6,250	6,250	12,500	12,500	0	0.00 %
Debt Service	70,483	68,111	70,483	70,483	138,594	140,966	2,372	1.71 %
Total Costs	\$63,213,611	\$64,092,156	\$68,074,351	\$68,866,465	\$127,305,767	\$136,940,816	\$9,635,049	7.57 %
General Fund	62,399,444	62,591,945	67,260,184	68,052,298	124,991,389	135,312,482	10,321,093	8.26 %
State/Other Special Rev. Funds	814,167	1,500,211	814,167	814,167	2,314,378	1,628,334	(686,044)	(29.64)%
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$63,213,611	\$64,092,156	\$68,074,351	\$68,866,465	\$127,305,767	\$136,940,816	\$9,635,049	7.57 %

Program Description

The Probation & Parole Division includes probation and parole, intensive and enhanced supervision programs, male and female community corrections programs that include: the Treasure State Correctional Training Center (boot camp), chemical dependency treatment programs, DUI treatment facilities, Methamphetamine treatment facilities, assessment, sanction and revocation centers, and various other prison diversion programs. The department contracts with nonprofit corporations in Great Falls, Missoula, Billings, Bozeman, Butte and Helena for pre-release services.

Program Highlights

Probation & Parole Division Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 biennium legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding for pay changes made at the agency's discretion during the 2015 biennium and for anticipated longevity pay in the 2017 biennium ◦ Funding reductions as the result of an agency reorganization during the 2015 biennium ◦ Annualization of funding for contracted facilities to the full contracted levels ◦ General fund to replace state special revenue for probation and parole office leases with state special revenue not reduced ◦ An increase for overtime ◦ Funding to add 6.00 FTE probation and parole officers to address workload impacts ◦ A 2% annual provider rate increase

Funding

The following table shows program funding by source from all sources of authority.

Department of Corrections, 02-Probation & Parole Division Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	135,312,482	0	0	135,312,482	98.81 %	
02261 P & P Supervisory Fee	1,628,334	0	0	1,628,334	100.00 %	
State Special Total	\$1,628,334	\$0	\$0	\$1,628,334	1.19 %	
03315 Misc Federal Grants	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$136,940,816	\$0	\$0	\$136,940,816		

General fund provides 98.8% of the division’s funding. About 1.2% of the division’s funding comes from state special revenue collected from offenders who must pay a probation and parole supervision fee.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	63,565,506	63,565,506	127,131,012	93.95 %	65,065,717	65,065,717	130,131,434	95.03 %
PL Adjustments	2,458,550	2,446,470	4,905,020	3.62 %	1,772,506	1,760,426	3,532,932	2.58 %
New Proposals	1,236,128	2,040,322	3,276,450	2.42 %	1,236,128	2,040,322	3,276,450	2.39 %
Total Budget	\$67,260,184	\$68,052,298	\$135,312,482		\$68,074,351	\$68,866,465	\$136,940,816	

Present Law Adjustments

The “Present Law Adjustments” table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - Montana Correctional Enterprises Rate Changes	0.00	68,734	0	0	68,734	0.00	88,970	0	0	88,970
DP 515 - State Share Health Insurance	0.00	122,715	0	0	122,715	0.00	122,715	0	0	122,715
DP 516 - Correct State Share Health Insurance	0.00	4,131	0	0	4,131	0.00	4,131	0	0	4,131
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	289,047	0	0	289,047	0.00	289,047	0	0	289,047
DP 527 - Inflation\Deflation Adjustment	0.00	12,744	0	0	12,744	0.00	10,264	0	0	10,264
DP 530 - Reorganizations	0.00	(86,175)	0	0	(86,175)	0.00	(86,175)	0	0	(86,175)
DP 536 - Other 2015 Biennium Budget Adjustments	0.00	(59,988)	(686,044)	0	(746,032)	0.00	(68,134)	(686,044)	0	(754,178)
DP 550 - Motor Pool Rate Adjustment	0.00	(210,861)	0	0	(210,861)	0.00	(207,016)	0	0	(207,016)
DP 600 - 2015 Biennium Career Increment Pay Increases	0.00	329,031	0	0	329,031	0.00	329,031	0	0	329,031
DP 601 - Longevity Pay Increases	0.00	65,784	0	0	65,784	0.00	65,784	0	0	65,784
DP 602 - 2015 Biennium Other Pay Increases	0.00	110,899	0	0	110,899	0.00	110,899	0	0	110,899
DP 603 - Correctional Officer and Market Pay Adjustments	0.00	234,752	0	0	234,752	0.00	234,752	0	0	234,752
DP 200004 - Overtime	0.00	7,968	0	0	7,968	0.00	7,968	0	0	7,968
DP 200005 - Probation and Parole Office Leases (Biennial)	0.00	823,500	0	0	823,500	0.00	823,500	0	0	823,500
DP 200006 - Annualize PPD Contracted Facilities (Biennial)	0.00	746,269	0	0	746,269	0.00	720,734	0	0	720,734
DP 200444 - Statewide 4% FTE Reduction	(4.00)	0	0	0	0	(4.00)	0	0	0	0
Grand Total All Present Law Adjustments	(4.00)	\$2,458,550	(\$686,044)	\$0	\$1,772,506	(4.00)	\$2,446,470	(\$686,044)	\$0	\$1,760,426

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 402 - Montana Correctional Enterprises Rate Changes -

The legislature approved funding to address rate changes for food and laundry services purchased from Montana Correctional Enterprises.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 527 - Inflation\Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganizations -

The legislature adopted the reorganization of the management for medical services from the Director's Office, Probation and Parole Division, Secure Custody Facilities Program, and Youth Services Program to for the Clinical Services Division within the department. This included transfers of \$86,175 in general fund and 1.00 FTE in each FY 2016 and FY 2017 from this program.

DP 536 - Other 2015 Biennium Budget Adjustments -

The legislature approved various unspecified budget adjustments to move operating expenses to the FY 2015 legislative base.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Career Increment Pay Increases -

The legislature approved funding to annualize career increment pay increases provided by the agency during the 2015 biennium.

DP 601 - Longevity Pay Increases -

The legislature funded longevity pay adjustments.

DP 602 - 2015 Biennium Other Pay Increases -

The legislature approved funding to annualize various pay increases that were not for correctional officer or probation officer market movement, market adjustment to move employees to the entry level for the pay band, career increment movement, or longevity that were provided by the agency during the 2015 biennium.

DP 603 - Correctional Officer and Market Pay Adjustments -

The legislature funded pay adjustments given in the 2015 biennium for correctional and probation officer increments and adjustment to raise employees to 80% of market.

DP 200004 - Overtime -

The legislature funded increases to overtime.

DP 200005 - Probation and Parole Office Leases (Biennial) -

The legislature approved funding for Probation and Parole Division office lease costs. The legislature designated funding as biennial.

DP 200006 - Annualize PPD Contracted Facilities (Biennial) -

The legislature annualized the funding for contracted beds that house offenders managed under the Probation and Parole Division in treatment, pre-release, after care, transitional living, enhanced supervision, re-entry, and sanction facilities at the contracted level of beds and at the rate funded by the 2013 Legislature. Additionally, the legislature included language that provides flexibility to pay for beds filled in treatment and pre-release facilities up to 10% over the contracted number of beds as long as funding is available within the budget for these facilities.

DP 200444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 4.00 FTE each year.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 200009 - PPD Population Management	6.00	417,461	0	0	417,461	6.00	407,375	0	0	407,375
DP 200098 - PPD Provider Rate Increase	0.00	818,667	0	0	818,667	0.00	1,632,947	0	0	1,632,947
Total	6.00	\$1,236,128	\$0	\$0	\$1,236,128	6.00	\$2,040,322	\$0	\$0	\$2,040,322

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 200009 - PPD Population Management -

The legislature approved funding to add 6.00 FTE probation and parole officers to address workload issues statewide.

DP 200098 - PPD Provider Rate Increase -

The legislature approved funding to provide a 2% provider rate increase in FY 2016 and an additional 2% (4% total) rate increase for FY 2017 for all contracted providers.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	629.04	629.04	629.69	629.69	629.04	629.69	0.65	0.10 %
Personal Services	33,724,290	36,141,622	39,967,979	39,939,273	69,865,912	79,907,252	10,041,340	14.37 %
Operating Expenses	38,613,248	36,358,780	41,002,347	41,586,603	74,972,028	82,588,950	7,616,922	10.16 %
Equipment & Intangible Assets	87,605	115,351	87,605	87,605	202,956	175,210	(27,746)	(13.67)%
Capital Outlay	20,773	0	20,773	20,773	20,773	41,546	20,773	100.00 %
Transfers	53,100	49,500	53,100	53,100	102,600	106,200	3,600	3.51 %
Debt Service	173,888	170,341	217,578	217,578	344,229	435,156	90,927	26.41 %
Total Costs	\$72,672,904	\$72,835,594	\$81,349,382	\$81,904,932	\$145,508,498	\$163,254,314	\$17,745,816	12.20 %
General Fund	72,568,442	72,730,778	81,244,920	81,800,470	145,299,220	163,045,390	17,746,170	12.21 %
State/Other Special Rev. Funds	104,462	104,816	104,462	104,462	209,278	208,924	(354)	(0.17)%
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$72,672,904	\$72,835,594	\$81,349,382	\$81,904,932	\$145,508,498	\$163,254,314	\$17,745,816	12.20 %

Program Description

The Secure Custody Facilities Program includes the Montana State Prison, Montana Women’s Prison, and contract bed facilities that include: Dawson County Correctional Facility, Cascade County Regional Prison, and Crossroads Correctional Center in Shelby. Approximately 2,300 male and 200 female inmates are incarcerated in these facilities.

Program Highlights

Secure Custody Facilities Program Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 biennium legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding for pay changes made at the agency's discretion during the 2015 biennium and for anticipated longevity pay in the 2017 biennium ◦ Funding reductions as the result of an agency reorganization during the 2015 biennium ◦ Annualization of funding for contracted facilities to the full contracted levels ◦ Pay increases for correctional officers ◦ An increase for overtime ◦ Funding to add 5.00 FTE for security at the Lewistown infirmary as one-time-only ◦ Funding to pay up to \$69.00 per bed-day at county jails ◦ A 2% annual provider rate increase ◦ A prevailing wage increase addressed in the contract for services at the Shelby prison • The legislature provided \$5.5 million in supplemental funding for FY 2015 to address projected budget shortfalls largely due to costs to house offenders in county jails

Funding

The following table shows program funding by source from all sources of authority.

Department of Corrections, 03-Secure Custody Facilities Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	163,045,390	0	0	163,045,390	99.36 %	
02339 Inmate Welfare/Inmate Pay	200,000	0	0	200,000	19.02 %	
02345 Inmate Welfare Fund	0	0	842,651	842,651	80.13 %	
02355 Miscellaneous Fines and Fees	8,924	0	0	8,924	0.85 %	
02689 Offender Restitution	0	0	0	0	0.00 %	
State Special Total	\$208,924	\$0	\$842,651	\$1,051,575	0.64 %	
03099 PHS-ESEA Title I	0	0	0	0	0.00 %	
03315 Misc Federal Grants	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$163,254,314	\$0	\$842,651	\$164,096,965		

This division is funded almost entirely by the general fund. State special funds are from the sale of canteen items to inmates and support the cost of purchasing canteen items.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	82,776,210	82,776,210	165,552,420	101.54 %	82,881,026	82,881,026	165,762,052	101.54 %
PL Adjustments	(2,857,298)	(2,546,448)	(5,403,746)	(3.31)%	(2,857,652)	(2,546,802)	(5,404,454)	(3.31)%
New Proposals	1,326,008	1,570,708	2,896,716	1.78 %	1,326,008	1,570,708	2,896,716	1.77 %
Total Budget	\$81,244,920	\$81,800,470	\$163,045,390		\$81,349,382	\$81,904,932	\$163,254,314	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - Montana Correctional Enterprises Rate Changes	0.00	521,036	0	0	521,036	0.00	595,439	0	0	595,439
DP 515 - State Share Health Insurance	0.00	303,599	0	0	303,599	0.00	303,599	0	0	303,599
DP 516 - Correct State Share Health Insurance	0.00	2,095	0	0	2,095	0.00	2,095	0	0	2,095
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	128,734	0	0	128,734	0.00	128,734	0	0	128,734
DP 527 - Inflation\Deflation Adjustment	0.00	(17,501)	0	0	(17,501)	0.00	(14,095)	0	0	(14,095)
DP 530 - Reorganizations	0.00	(8,930,105)	0	0	(8,930,105)	0.00	(8,930,105)	0	0	(8,930,105)
DP 535 - Program Transfers	0.00	204,673	0	0	204,673	0.00	204,673	0	0	204,673
DP 536 - Other 2015 Biennium Budget Adjustments	0.00	(497,625)	(354)	0	(497,979)	0.00	(494,115)	(354)	0	(494,469)
DP 550 - Motor Pool Rate Adjustment	0.00	(6,919)	0	0	(6,919)	0.00	(6,786)	0	0	(6,786)
DP 600 - 2015 Biennium Career Increment Pay Increases	0.00	544,606	0	0	544,606	0.00	544,606	0	0	544,606
DP 601 - Longevity Pay Increases	0.00	136,081	0	0	136,081	0.00	136,081	0	0	136,081
DP 602 - 2015 Biennium Other Pay Increases	0.00	126,208	0	0	126,208	0.00	126,208	0	0	126,208
DP 603 - Correctional Officer and Market Pay Adjustments	0.00	821,129	0	0	821,129	0.00	821,129	0	0	821,129
DP 300008 - Overtime and Inmate Pay	0.00	301,649	0	0	301,649	0.00	301,649	0	0	301,649
DP 300015 - Lewistown Infirmary Staff (OTO)	5.00	273,761	0	0	273,761	5.00	273,100	0	0	273,100
DP 300016 - Annualize Secure Care Contract Beds (Biennial)	0.00	3,648,061	0	0	3,648,061	0.00	3,878,120	0	0	3,878,120
DP 300018 - Shelby Prison Prevailing Wage Increase (Biennial)	0.00	386,200	0	0	386,200	0.00	386,200	0	0	386,200
DP 300020 - County Jail Hold Rate Reduction	0.00	(802,980)	0	0	(802,980)	0.00	(802,980)	0	0	(802,980)
DP 300444 - Statewide 4% FTE Reduction	(4.35)	0	0	0	0	(4.35)	0	0	0	0
Grand Total All Present Law Adjustments	0.65	(\$2,857,298)	(\$354)	\$0	(\$2,857,652)	0.65	(\$2,546,448)	(\$354)	\$0	(\$2,546,802)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 402 - Montana Correctional Enterprises Rate Changes -

The legislature approved funding to address rate changes for food and laundry services purchased from Montana Correctional Enterprises.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 527 - Inflation\Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganizations -

The legislature adopted the reorganization of the management for medical services from the Director's Office, Probation and Parole Division, Secure Custody Facilities Program, and Youth Services Program to for the Clinical Services Division within the department. This included transfers of \$8.9 million in general fund and 79.50 FTE in each FY 2016 and FY 2017 from this program.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$204,673 in general fund in each FY 2016 and FY 2017 from the Youth Services Program to this program.

DP 536 - Other 2015 Biennium Budget Adjustments -

The legislature approved various unspecified budget adjustments to move operating expenses to the FY 2015 legislative base.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Career Increment Pay Increases -

The legislature approved funding to annualize career increment pay increases provided by the agency during the 2015 biennium.

DP 601 - Longevity Pay Increases -

The legislature funded longevity pay adjustments.

DP 602 - 2015 Biennium Other Pay Increases -

The legislature approved funding to annualize various pay increases that were not for correctional officer or probation officer market movement, market adjustment to move employees to the entry level for the pay band, career increment movement, or longevity that were provided by the agency during the 2015 biennium.

DP 603 - Correctional Officer and Market Pay Adjustments -

The legislature funded pay adjustments given in the 2015 biennium for correctional and probation officer increments and adjustment to raise employees to 80% of market.

DP 300008 - Overtime and Inmate Pay -

The legislature funded increases to overtime and inmate pay.

DP 300015 - Lewistown Infirmary Staff (OTO) -

The legislature funded the addition of 5.00 FTE correctional officer positions located at the Lewistown Infirmary. This funding was designated as one-time-only.

DP 300016 - Annualize Secure Care Contract Beds (Biennial) -

The legislature annualized for contracted beds. Funding for holding offenders in county jails was provided for a per bed per day rate of \$69.00, but language was provided that would allow the agency to request additional funds from the Governor's budget director to pay up to \$72.50 per bed. If the agency is unable to obtain an adequate number of beds at the \$69.00 bed rate it may request the additional budget authority.

The legislature designated this funding as biennial.

DP 300018 - Shelby Prison Prevailing Wage Increase (Biennial) -

The legislature funded costs associated with the prevailing wage clause in the contract for the Shelby prison. The legislature designated the funding as biennial.

DP 300020 - County Jail Hold Rate Reduction -

The legislature reduced funding for holding offenders in county jails and stated its intent that the Department of Corrections may reimburse counties for holding offenders at a rate up to \$69 per bed per day. In addition, the legislature provided language that would allow the department to seek additional budget authority should it not be able to secure enough beds at the \$69 rate, but that would state the legislatures intent to not pay more than \$72.50 per bed per day.

DP 300444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 4.35 FTE each year.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 300017 - Shelby Prison Per Diem Rate Increase (Biennial)	0.00	250,174	0	0	250,174	0.00	498,981	0	0	498,981
DP 300019 - Correctional Officer Pay Adjustment (Restricted)	0.00	1,075,834	0	0	1,075,834	0.00	1,071,727	0	0	1,071,727
Total	0.00	\$1,326,008	\$0	\$0	\$1,326,008	0.00	\$1,570,708	\$0	\$0	\$1,570,708

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 300017 - Shelby Prison Per Diem Rate Increase (Biennial) -

The legislature approved funding to provide a 2% provider rate increase in FY 2016 and an additional 2% (4% total) rate increase for FY 2017 for the contracted provider at the Shelby prison. The legislature designated funding as biennial.

DP 300019 - Correctional Officer Pay Adjustment (Restricted) -

The legislature funded pay adjustments for all pay band 3 and 4 correctional officers. The legislature designated the funding as restricted only for providing the correctional officer pay adjustments.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	12.00	12.00	11.00	11.00	12.00	11.00	(1.00)	(8.33)%
Personal Services	655,800	761,155	770,732	770,825	1,416,955	1,541,557	124,602	8.79 %
Operating Expenses	2,270,880	2,421,560	2,627,193	2,626,082	4,692,440	5,253,275	560,835	11.95 %
Transfers	135,117	200,000	135,117	135,117	335,117	270,234	(64,883)	(19.36)%
Total Costs	\$3,061,797	\$3,382,715	\$3,533,042	\$3,532,024	\$6,444,512	\$7,065,066	\$620,554	9.63 %
General Fund	785,698	867,217	887,428	886,016	1,652,915	1,773,444	120,529	7.29 %
State/Other Special Rev. Funds	2,276,099	2,515,498	2,645,614	2,646,008	4,791,597	5,291,622	500,025	10.44 %
Federal Spec. Rev. Funds	0	0	0	0	0	0	0	0.00 %
Total Funds	\$3,061,797	\$3,382,715	\$3,533,042	\$3,532,024	\$6,444,512	\$7,065,066	\$620,554	9.63 %

Program Description

The Montana Correctional Enterprises (MCE) Industry program includes furniture, upholstery, print, sign, sewing, garment graphics, and laundry operations at the Montana State Prison and Montana Women's Prison facilities. At the current time there are no programs operating at the regional and private facilities.

The MCE Ranch and Dairy operation includes range cattle, crops, feedlot, land management, dairy milking parlor, dairy processing, heifer reproduction, and lumber processing, which are all located at the Montana State Prison facility.

The MCE Vocational Education program operates a motor vehicle maintenance shop at the Montana State Prison facility.

The MCE Food Factory program prepares bulk and trayed meals, including baked goods, at the Montana State Prison facility for eight institutions in Montana.

The MCE License Plate program manufactures vehicle license plates at the Montana State Prison facility. Currently there are over 160 different types of plates manufactured.

The MCE Inmate Canteen provides offender commissary goods for all Montana correctional facilities. The commissary is located at the Montana State Prison facility.

The Adult Education and MCE Vocational Education program is funded with general fund and operates at the Montana State Prison.

Program Highlights

Montana Correctional Enterprises Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 biennium legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding for pay changes made at the agency's discretion during the 2015 biennium and for anticipated longevity pay in the 2017 biennium ◦ An increase to purchase items for the canteen ◦ An increase for overtime and inmate pay

Funding

The following table shows program funding by source from all sources of authority.

Department of Corrections, 04-Montana Correctional Enterprises Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	1,773,444	0	0	1,773,444	5.56 %
02917 MSP Canteen Revolving Acct	5,291,622	0	0	5,291,622	100.00 %
State Special Total	\$5,291,622	\$0	\$0	\$5,291,622	16.59 %
03315 Misc Federal Grants	0	0	0	0	0.00 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
06033 Prison Ranch	0	8,944,494	0	8,944,494	36.03 %
06034 MSP Institutional Industries	0	4,522,298	0	4,522,298	18.22 %
06545 Prison Indust. Training Prog	0	1,464,398	0	1,464,398	5.90 %
06572 MCE License Plate Production	0	1,872,510	0	1,872,510	7.54 %
06573 MSP - Cook Chill	0	8,020,922	0	8,020,922	32.31 %
Proprietary Total	\$0	\$24,824,622	\$0	\$24,824,622	77.85 %
Total All Funds	\$7,065,066	\$24,824,622	\$0	\$31,889,688	

Besides general fund, the bulk of the HB 2 funding for this program is state special revenue, primarily from fees charged for the collection of restitution from offenders and prison canteen sales. The remainder of the program's funding comes from proprietary funds such as the prison ranch, industries program, and cook chill operation.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Summary by Category								
Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	867,217	867,217	1,734,434	97.80 %	3,382,715	3,382,715	6,765,430	95.76 %
PL Adjustments	20,211	18,799	39,010	2.20 %	150,327	149,309	299,636	4.24 %
New Proposals	0	0	0	0.00 %	0	0	0	0.00 %
Total Budget	\$887,428	\$886,016	\$1,773,444		\$3,533,042	\$3,532,024	\$7,065,066	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 515 - State Share Health Insurance	0.00	3,888	1,458	0	5,346	0.00	3,888	1,458	0	5,346
DP 516 - Correct State Share Health Insurance	0.00	3,402	(1,458)	0	1,944	0.00	3,402	(1,458)	0	1,944
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	13,461	0	0	13,461	0.00	13,461	0	0	13,461
DP 527 - Inflation\Deflation Adjustment	0.00	6,146	0	0	6,146	0.00	4,875	0	0	4,875
DP 536 - Other 2015 Biennium Budget Adjustments	0.00	(23,286)	0	0	(23,286)	0.00	(23,427)	0	0	(23,427)
DP 600 - 2015 Biennium Career Increment Pay Increases	0.00	6,965	0	0	6,965	0.00	6,965	0	0	6,965
DP 601 - Longevity Pay Increases	0.00	6,264	0	0	6,264	0.00	6,264	0	0	6,264
DP 602 - 2015 Biennium Other Pay Increases	0.00	5,842	0	0	5,842	0.00	5,842	0	0	5,842
DP 603 - Correctional Officer and Market Pay Adjustments	0.00	1,827	0	0	1,827	0.00	1,827	0	0	1,827
DP 400019 - Overtime and Inmate Pay	0.00	(4,298)	0	0	(4,298)	0.00	(4,298)	0	0	(4,298)
DP 400022 - MCE Canteen Additional Authority	0.00	0	130,116	0	130,116	0.00	0	130,510	0	130,510
DP 400444 - Statewide 4% FTE Reduction	(1.00)	0	0	0	0	(1.00)	0	0	0	0
Grand Total All Present Law Adjustments	(1.00)	\$20,211	\$130,116	\$0	\$150,327	(1.00)	\$18,799	\$130,510	\$0	\$149,309

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 527 - Inflation\Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 536 - Other 2015 Biennium Budget Adjustments -

The legislature approved various unspecified budget adjustments to move operating expenses to the FY 2015 legislative base.

DP 600 - 2015 Biennium Career Increment Pay Increases -

The legislature approved funding to annualize career increment pay increases provided by the agency during the 2015 biennium.

DP 601 - Longevity Pay Increases -

The legislature funded longevity pay adjustments.

DP 602 - 2015 Biennium Other Pay Increases -

The legislature approved funding to annualize various pay increases that were not for correctional officer or probation officer market movement, market adjustment to move employees to the entry level for the pay band, career increment movement, or longevity that were provided by the agency during the 2015 biennium.

DP 603 - Correctional Officer and Market Pay Adjustments -

The legislature funded pay adjustments given in the 2015 biennium for correctional and probation officer increments and adjustment to raise employees to 80% of market.

DP 400019 - Overtime and Inmate Pay -

The legislature reduced funding for overtime and inmate pay.

DP 400022 - MCE Canteen Additional Authority -

The legislature approved funding for increased purchases at the inmate canteen.

DP 400444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year.

Other Issues

The Montana Correctional Enterprises Program provides the following functions funded with proprietary funds. These programs are described below along with a discussion of the program revenues, expenses, and rates being requested to finance the programs:

- Agriculture (Prison Ranch)
- Industries
- Food Factory
- License Plate Operations

Agricultural – Fund 06033

Proprietary Program Description

The Agriculture program trains inmates in specific work skills and life skills in operations which include range and dairy cattle production, dairy milking parlor and processing plant, crops and land management, lumber processing, wild land firefighting, and various community work programs.

Proprietary Rates

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program.

MSP Institutional Industries – Fund 06034

Proprietary Program Description

The Industries program trains inmates in specific work skills and life skills in operations which include manufacturing of furniture, upholstery, print work and signs, sewing and embroidery, institutional laundry, screen printing, inventory management, shipping, AutoCAD design, Web design, marketing, and hygiene kit assembly. In addition Industries includes a dog training program located at the Montana Women's Prison, called Prison Paws and teaches inmates how to provide basic training and social skills to dogs that have been donated to the program or rescued from the local animal shelters.

Two industries are certified by the U.S. Justice Department's Prison Industry Enhancement Certification Program. Inmates in these programs are paid prevailing wage for their work, and 80 percent of their gross wage is deducted for state and federal income tax, crime victim compensation, family support, and room and board. In addition, each inmate working in a certified program has 10 percent of his or her net wages deposited into a mandatory savings account available upon release.

Proprietary Rates

This program is funded with an enterprise type proprietary fund. As such, the legislature does not appropriate funds or approve rates for the program. Although the industries program is an enterprise fund, it has requested rate approvals for the laundry rate per pound, as these will directly affect the general fund customers served. The laundry is not an internal service fund as it is a small operation in the overall industries program. The following rates were approved by the legislature for the 2017 biennium.

Requested Rates for Internal Service Fund 06034		
Rate Item	FY 2016	FY 2017
Cost Per Pound Laundry Services	\$0.59	\$0.60
Delivery Charge per Pound:		
Montana Development Center	0.05	0.05
Riverside Youth Correctional Facility	0.05	0.05
Montana Law Enforcement Academey	0.15	0.15
Montana Chemical Dependency Corp	0.04	0.04
START Program	0.01	0.01
Montana State Hospital	0.00	0.00
University of Montana	\$0.20	\$0.20

MCE Food Factory – Fund 06573*Proprietary Program Description*

This proprietary program consists of food processing and creation of trayed meals and products that are sold to other facilities of the agency and the Montana State Hospital at Warm Springs.

Proprietary Rates

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The legislature approved rates are shown in the figure.

Requested Rates for Internal Service - Fund 06573		
Rate Item	Request FY 2016	Request FY 2017
Tray Meal Prices to all customers		
Base Tray-hot/cold	\$2.32	\$2.35
Base Tray-hot	1.18	1.22
Detention Center Trays	2.92	2.95
Accessory Package	0.16	0.16
Delivery Charge Per Trayed Meal		
Delivery charge per mile	0.50	0.50
Delivery charge per hour	\$35.00	\$35.00
Spoilage percentage to all bulk customers	5%	5%
Overhead Charges		
Montana State Prison	76%	76%
Montana State Hospital	11%	11%
Treasure State Correctional Training	13%	13%

Note: Bulk food is sold at cost, with a spoilage percentage added on and an overhead charge to cover operating expenses. The overhead charge is based on historical costs and volume of sales to the customer, as a percentage of overall food costs. Delivery is based on actual delivery costs. The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Vocational Education (Industries Training) – Fund 06545*Proprietary Program Description*

The Vocational Education program trains inmates in specific work skills and life skills in operations which include motor vehicle maintenance, welding and machining and metals programs in conjunction with the general fund vocational education program.

Proprietary Rates

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The legislature approved the following rates for the program.

Requested Rates for Internal Service - Fund 06545		
Rate Item	Request FY 2016	Request FY 2017
Fee Description:		
Labor Charge/hour	\$28.45	\$28.45
Supply fee as percentage of actual cost of parts	8%	8%
Parts are sold at cost		

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

MCE License Plate – Fund 06572

Proprietary Program Description

This proprietary program consists of license plate manufacturing. The License Plate Factory program trains inmates in specific work skills and life skills in license plate production, inventory control and shipping, while providing all license plates to County Treasurers throughout Montana.

Proprietary Rates

This program is funded with an internal service type proprietary fund. As such, the legislature approves the maximum rates the program may charge for its services. The legislature approved \$6.20 per set of plates as the rate for both FY 2016 and FY 2017. This is the same rate set for the 2015 biennium.

The rates approved by the legislature are the maximum the program may charge during the biennium. They are not the rates the program must charge.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	182.85	182.85	173.85	173.85	182.85	173.85	(9.00)	(4.92)%
Personal Services	9,994,882	10,641,854	11,480,894	11,474,712	20,636,736	22,955,606	2,318,870	11.24 %
Operating Expenses	2,219,347	2,119,422	2,174,653	2,183,365	4,338,769	4,358,018	19,249	0.44 %
Equipment & Intangible Assets	47,012	0	47,012	47,012	47,012	94,024	47,012	100.00 %
Benefits & Claims	2,460,387	2,080,087	540,598	540,598	4,540,474	1,081,196	(3,459,278)	(76.19)%
Transfers	3,065,954	3,459,909	0	0	6,525,863	0	(6,525,863)	(100.00)%
Debt Service	20,877	20,877	20,877	20,877	41,754	41,754	0	0.00 %
Total Costs	\$17,808,459	\$18,322,149	\$14,264,034	\$14,266,564	\$36,130,608	\$28,530,598	(\$7,600,010)	(21.03)%
General Fund	17,037,439	17,224,360	13,664,972	13,667,502	34,261,799	27,332,474	(6,929,325)	(20.22)%
State/Other Special Rev. Funds	770,780	1,081,784	599,062	599,062	1,852,564	1,198,124	(654,440)	(35.33)%
Federal Spec. Rev. Funds	240	16,005	0	0	16,245	0	(16,245)	(100.00)%
Total Funds	\$17,808,459	\$18,322,149	\$14,264,034	\$14,266,564	\$36,130,608	\$28,530,598	(\$7,600,010)	(21.03)%

Program Description

The Youth Services Division is responsible for all state operated youth programs including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, Youth Community Corrections including Juvenile Parole, interstate compact services for probation and parole, reentry services, transition centers, detention licensing, and transportation. Additional responsibilities include research, training and administrative support services.

Program Highlights

Youth Services Division Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 biennium legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding for pay changes made at the agency's discretion during the 2015 biennium and for anticipated longevity pay in the 2017 biennium ◦ Funding reductions as the result of an agency reorganization during the 2015 biennium ◦ Pay increases for correctional officers ◦ An increase for overtime and inmate pay funded with general fund ◦ A reduction to transfer juvenile placement funding and its administration, including 4.00 FTE to the Judicial Branch

Funding

The following table shows program funding by source from all sources of authority.

Department of Corrections, 05-Youth Services Funding by Source of Authority						
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds	
01100 General Fund	27,332,474	0	0	27,332,474	95.80 %	
02033 Pine Hills Vocational Program	564	0	0	564	0.05 %	
02034 Earmarked Alcohol Funds	51,046	0	0	51,046	4.26 %	
02916 PHS-Canteen	7,046	0	0	7,046	0.59 %	
02927 PHS Donations/I & I	754,660	0	0	754,660	62.99 %	
02970 Juvenile Plcmnt Cost of Care	384,808	0	0	384,808	32.12 %	
State Special Total	\$1,198,124	\$0	\$0	\$1,198,124	4.20 %	
03084 MVS-School Foods	0	0	0	0	0.00 %	
03089 PHS-School Foods	0	0	0	0	0.00 %	
03099 PHS-ESEA Title I	0	0	0	0	0.00 %	
03315 Misc Federal Grants	0	0	0	0	0.00 %	
03316 MBCC Grants	0	0	0	0	0.00 %	
03530 6901-Foster Care 93.658	0	0	0	0	0.00 %	
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %	
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %	
Total All Funds	\$28,530,598	\$0	\$0	\$28,530,598		

This division receives the majority of its support from the general fund. State special revenue is primarily from parental contributions toward the costs of care and interest and income related to Pine Hills school lands. The division also receives a small amount of federal funds from the Title IV-E Foster Care and Adoption Program.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	18,571,155	18,571,155	37,142,310	135.89 %	19,668,944	19,668,944	39,337,888	137.88 %
PL Adjustments	(173,225)	(169,770)	(342,995)	(1.25)%	(499,994)	(496,539)	(996,533)	(3.49)%
New Proposals	(4,732,958)	(4,733,883)	(9,466,841)	(34.64)%	(4,904,916)	(4,905,841)	(9,810,757)	(34.39)%
Total Budget	\$13,664,972	\$13,667,502	\$27,332,474		\$14,264,034	\$14,266,564	\$28,530,598	

Present Law Adjustments

The "Present Law Adjustments" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 402 - Montana Correctional Enterprises Rate Changes	0.00	1,908	0	0	1,908	0.00	2,302	0	0	2,302
DP 515 - State Share Health Insurance	0.00	86,435	0	0	86,435	0.00	86,435	0	0	86,435
DP 516 - Correct State Share Health Insurance	0.00	2,989	0	0	2,989	0.00	2,989	0	0	2,989
DP 520 - Fully Fund 2015 Legislatively Authorized FTE	0.00	108,853	0	0	108,853	0.00	108,853	0	0	108,853
DP 527 - Inflation\Deflation Adjustment	0.00	1,671	0	0	1,671	0.00	1,346	0	0	1,346
DP 530 - Reorganizations	0.00	(1,102,835)	0	0	(1,102,835)	0.00	(1,102,835)	0	0	(1,102,835)
DP 535 - Program Transfers	0.00	(243,960)	0	0	(243,960)	0.00	(243,960)	0	0	(243,960)
DP 536 - Other 2015 Biennium Budget Adjustments	0.00	221,601	(117,034)	(15,765)	88,802	0.00	223,418	(117,034)	(15,765)	90,619
DP 550 - Motor Pool Rate Adjustment	0.00	(47,248)	0	0	(47,248)	0.00	(45,679)	0	0	(45,679)
DP 600 - 2015 Biennium Career Increment Pay Increases	0.00	123,666	0	0	123,666	0.00	123,666	0	0	123,666
DP 601 - Longevity Pay Increases	0.00	39,897	0	0	39,897	0.00	39,897	0	0	39,897
DP 602 - 2015 Biennium Other Pay Increases	0.00	118,489	0	0	118,489	0.00	118,489	0	0	118,489
DP 603 - Correctional Officer and Market Pay Adjustments	0.00	378,728	0	0	378,728	0.00	378,728	0	0	378,728
DP 500024 - Overtime and Inmate Pay	0.00	136,581	(193,970)	0	(57,389)	0.00	136,581	(193,970)	0	(57,389)
DP 500444 - Statewide 4% FTE Reduction	(5.00)	0	0	0	0	(5.00)	0	0	0	0
Grand Total All Present Law Adjustments	(5.00)	(\$173,225)	(\$311,004)	(\$15,765)	(\$499,994)	(5.00)	(\$169,770)	(\$311,004)	(\$15,765)	(\$496,539)

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 402 - Montana Correctional Enterprises Rate Changes -

The legislature approved funding to address rate changes for food and laundry services purchased from Montana Correctional Enterprises.

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 520 - Fully Fund 2015 Legislatively Authorized FTE -

The legislature provided appropriation authority to restore personal services funding to create a vacancy savings rate of zero.

DP 527 - Inflation\Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganizations -

The legislature adopted the reorganization of the management for medical services from the Director's Office, Probation and Parole Division, Secure Custody Facilities Program, and Youth Services Program to for the Clinical Services Division within the department. This included transfers of \$1.1 million in general fund and 13.50 FTE in each FY 2016 and FY 2017 from this program.

DP 535 - Program Transfers -

The legislature adopted program transfers made by the department in the interim. This includes transfers of \$243,960 in general fund in each FY 2016 and FY 2017 this program to the Director's Office and Secure Custody Facilities Program.

DP 536 - Other 2015 Biennium Budget Adjustments -

The legislature approved various unspecified budget adjustments to move operating expenses to the FY 2015 legislative base.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Career Increment Pay Increases -

The legislature approved funding to annualize career increment pay increases provided by the agency during the 2015 biennium.

DP 601 - Longevity Pay Increases -

The legislature funded longevity pay adjustments.

DP 602 - 2015 Biennium Other Pay Increases -

The legislature approved funding to annualize various pay increases that were not for correctional officer or probation officer market movement, market adjustment to move employees to the entry level for the pay band, career increment movement, or longevity that were provided by the agency during the 2015 biennium.

DP 603 - Correctional Officer and Market Pay Adjustments -

The legislature funded pay adjustments given in the 2015 biennium for correctional and probation officer increments and adjustment to raise employees to 80% of market.

DP 500024 - Overtime and Inmate Pay -

The legislature reduced overall funding for overtime and inmate pay.

DP 500444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 5.00 FTE each year.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 500019 - Correctional Officer Pay Adjustment (Restricted)	0.00	336,021	0	0	336,021	0.00	334,739	0	0	334,739
DP 500233 - JDIP Administration - HB 233	(4.00)	(5,068,979)	(171,718)	(240)	(5,240,937)	(4.00)	(5,068,622)	(171,718)	(240)	(5,240,580)
Total	(4.00)	(\$4,732,958)	(\$171,718)	(\$240)	(\$4,904,916)	(4.00)	(\$4,733,883)	(\$171,718)	(\$240)	(\$4,905,841)

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 500019 - Correctional Officer Pay Adjustment (Restricted) -

The legislature funded pay adjustments for all pay band 3 and 4 correctional officers. The legislature designated the funding as restricted only for providing the correctional officer pay adjustments.

DP 500233 - JDIP Administration - HB 233 -

The legislature moved the function for administering the juvenile delinquency intervention and prevention funds from the Department of Corrections to the Judicial Branch including funding for 4.00 FTE. This adjustment implements the provisions of HB 233 that generally revised juvenile delinquency laws and is offset by a similar adjustment in the Judicial Branch.

Program Budget Comparison

The following table summarizes the total Legislative budget by year, type of expenditure, and source of funding.

Program Budget Comparison								
Budget Item	Base Fiscal 2014	Approp. Fiscal 2015	Legislative Budget 2016	Legislative Budget 2017	Biennium Fiscal 14-15	Biennium Fiscal 16-17	Biennium Change	Biennium % Change
FTE	94.50	94.50	96.00	96.00	94.50	96.00	1.50	1.59 %
Personal Services	7,146,257	5,612,750	8,166,864	8,170,464	12,759,007	16,337,328	3,578,321	28.05 %
Operating Expenses	10,714,075	11,798,821	12,911,402	12,911,457	22,512,896	25,822,859	3,309,963	14.70 %
Equipment & Intangible Assets	0	0	15,000	25,000	0	40,000	40,000	0.00 %
Total Costs	\$17,860,332	\$17,411,571	\$21,093,266	\$21,106,921	\$35,271,903	\$42,200,187	\$6,928,284	19.64 %
General Fund	17,860,332	17,411,571	20,884,366	20,898,021	35,271,903	41,782,387	6,510,484	18.46 %
State/Other Special Rev. Funds	0	0	208,900	208,900	0	417,800	417,800	0.00 %
Total Funds	\$17,860,332	\$17,411,571	\$21,093,266	\$21,106,921	\$35,271,903	\$42,200,187	\$6,928,284	19.64 %

Program Description

The Clinical Services Division (CSD) includes medical, dental and mental health staff at the Montana State Prison (MSP), Treasure State Correctional Training Center (TSCTC), Montana Women’s Prison (MWP), Riverside Youth Correctional Facility, and Pine Hills Youth Correctional Facility. In addition, the division oversees medical, dental and mental health services at contracted facilities as specified in the facilities’ contracts with the department. The division also works with a third-party administrator to oversee all claims submitted by outside medical providers. It oversees the health services pre-authorization process and provides education to contracted facilities with regard to medical issues. The division tracks and ensures Medicaid reimbursement for Medicaid-eligible inmates under the supervision of the department.

Program Highlights

Clinical Services Division Major Budget Highlights
<ul style="list-style-type: none"> • Compared to the 2015 biennium legislative funding, budget changes are for: <ul style="list-style-type: none"> ◦ Funding for pay changes made at the agency's discretion during the 2015 biennium and for anticipated longevity pay in the 2017 biennium ◦ A funding increase as the result of an agency reorganization during the 2015 biennium that created the program ◦ Funding to purchase medical equipment for the Montana State Prison infirmary ◦ Funding to add 2.50 FTE clinical staff for the Montana Woman's Prison as one-time-only ◦ An increase in funding for outside medical costs ◦ An unspecified increase to move operating costs to the 2015 legislative base ◦ An increase for overtime and inmate pay • Funding associated with outside medical costs was restricted due to implementation of the Montana Health and Economic Livelihood Partnership (HELP) Act, any savings would revert to the general fund

Funding

The following table shows program funding by source from all sources of authority.

Department of Corrections, 06-Clinical Services Division Funding by Source of Authority					
Funds	HB2	Non-Budgeted Proprietary	Statutory Appropriation	Total All Sources	% Total All Funds
01100 General Fund	41,782,387	0	0	41,782,387	99.01 %
02261 P & P Supervisory Fee	0	0	0	0	0.00 %
02355 Miscellaneous Fines and Fees	417,800	0	0	417,800	100.00 %
State Special Total	\$417,800	\$0	\$0	\$417,800	0.99 %
Federal Special Total	\$0	\$0	\$0	\$0	0.00 %
Proprietary Total	\$0	\$0	\$0	\$0	0.00 %
Total All Funds	\$42,200,187	\$0	\$0	\$42,200,187	

General fund provides 99% of the division’s funding. About 1% of the division’s funding would come from state special revenue collected from inmates under a proposal for a medical co-payment program.

Budget Summary by Category

The following summarizes the total budget utilizing the FY 2015 legislative base, present law adjustments, and new proposals.

Budget Item	-----General Fund-----				-----Total Funds-----			
	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget	Leg. Budget Fiscal 2016	Leg. Budget Fiscal 2017	Leg. Biennium Fiscal 16-17	Percent of Budget
2015 Budget	0	0	0	0.00 %	0	0	0	0.00 %
PL Adjustments	20,884,366	20,898,021	41,782,387	100.00 %	20,884,366	20,898,021	41,782,387	99.01 %
New Proposals	0	0	0	0.00 %	208,900	208,900	417,800	0.99 %
Total Budget	\$20,884,366	\$20,898,021	\$41,782,387		\$21,093,266	\$21,106,921	\$42,200,187	

Present Law Adjustments

The “Present Law Adjustments” table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

Present Law Adjustments										
-----Fiscal 2016-----						-----Fiscal 2017-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
DP 515 - State Share Health Insurance										
0.00	45,441	0	0	45,441	0.00	45,441	0	0	45,441	
DP 516 - Correct State Share Health Insurance										
0.00	729	0	0	729	0.00	729	0	0	729	
DP 527 - Inflation\Deflation Adjustment										
0.00	95	0	0	95	0.00	77	0	0	77	
DP 530 - Reorganizations										
0.00	19,311,571	0	0	19,311,571	0.00	19,311,571	0	0	19,311,571	
DP 536 - Other 2015 Biennium Budget Adjustments										
0.00	423,599	0	0	423,599	0.00	427,984	0	0	427,984	
DP 550 - Motor Pool Rate Adjustment										
0.00	(14,567)	0	0	(14,567)	0.00	(14,557)	0	0	(14,557)	
DP 600 - 2015 Biennium Career Increment Pay Increases										
0.00	54,624	0	0	54,624	0.00	54,624	0	0	54,624	
DP 601 - Longevity Pay Increases										
0.00	14,026	0	0	14,026	0.00	14,026	0	0	14,026	
DP 602 - 2015 Biennium Other Pay Increases										
0.00	172,993	0	0	172,993	0.00	172,993	0	0	172,993	
DP 603 - Correctional Officer and Market Pay Adjustments										
0.00	87,778	0	0	87,778	0.00	87,778	0	0	87,778	
DP 600026 - Clinical Staff MWP (OTO)										
2.50	274,977	0	0	274,977	2.50	274,255	0	0	274,255	
DP 600027 - Outside Medical Costs (Restricted/Biennial)										
0.00	250,000	0	0	250,000	0.00	250,000	0	0	250,000	
DP 600028 - Infirmary Operating Needs - MSP (Biennial)										
0.00	90,000	0	0	90,000	0.00	90,000	0	0	90,000	
DP 600029 - Overtime and Inmate Pay										
0.00	158,100	0	0	158,100	0.00	158,100	0	0	158,100	
DP 600030 - MSP Infirmary Medical Equipment (OTO)										
0.00	15,000	0	0	15,000	0.00	25,000	0	0	25,000	
DP 600444 - Statewide 4% FTE Reduction										
(1.00)	0	0	0	0	(1.00)	0	0	0	0	
Grand Total All Present Law Adjustments										
1.50	\$20,884,366	\$0	\$0	\$20,884,366	1.50	\$20,898,021	\$0	\$0	\$20,898,021	

***Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 515 - State Share Health Insurance -

The legislature provided appropriation authority for the state share of health insurance, as adopted by the 2013 Legislature.

DP 516 - Correct State Share Health Insurance -

The legislature approved an adjustment to the state share for health insurance to correct for an error in calculating the initial amounts.

DP 527 - Inflation\Deflation Adjustment -

The legislature adopted inflation/deflation factors for budgeted expenditures such as food or electricity. The legislature concurred with the executive on the factors with the exception of gasoline, aviation gasoline, diesel fuel, and jet fuel. For these factors the legislature further deflated costs to align the budget with more current information on declining prices of oil and gas projected to continue into the 2017 biennium.

DP 530 - Reorganizations -

The legislature adopted the reorganization of the management for medical services from the Director's Office, Probation and Parole Division, Secure Custody Facilities Program, and Youth Services Program to for the Clinical Services Division within the department. This included transfers of \$19.3 million in general fund and 94.50 FTE in each FY 2016 and FY 2017 to this program.

DP 536 - Other 2015 Biennium Budget Adjustments -

The legislature approved various unspecified budget adjustments to move operating expenses to the FY 2015 legislative base.

DP 550 - Motor Pool Rate Adjustment -

The legislature adopted a reduction to the motor pool rates.

DP 600 - 2015 Biennium Career Increment Pay Increases -

The legislature approved funding to annualize career increment pay increases provided by the agency during the 2015 biennium.

DP 601 - Longevity Pay Increases -

The legislature funded longevity pay adjustments.

DP 602 - 2015 Biennium Other Pay Increases -

The legislature approved funding to annualize various pay increases that were not for correctional officer or probation officer market movement, market adjustment to move employees to the entry level for the pay band, career increment movement, or longevity that were provided by the agency during the 2015 biennium.

DP 603 - Correctional Officer and Market Pay Adjustments -

The legislature funded pay adjustments given in the 2015 biennium for correctional and probation officer increments and adjustment to raise employees to 80% of market.

DP 600026 - Clinical Staff MWP (OTO) -

The legislature funded the addition of 2.50 FTE health services positions at the Montana Women's Prison. The positions added would include a 0.50 FTE physician, 1.00 FTE registered nurse, and 1.00 FTE case manager. Funding for these positions was designated as one-time-only.

DP 600027 - Outside Medical Costs (Restricted/Biennial) -

The legislature funded medical expenses that are required outside of a department facility or program. The funding was restricted only for this purpose and in conjunction with SB 405, a bill that establishes the Montana Health and Economic Livelihood Partnership Act.

DP 600028 - Infirmary Operating Needs - MSP (Biennial) -

The legislature funded costs for the Montana State Prison infirmary including costs for supplemental nursing staff, continuing training for existing staff, and to pay for the National Commission on Correctional Health Care (NCCHC) accreditation fees at the Montana State Prison Infirmary.

DP 600029 - Overtime and Inmate Pay -

The legislature funded increases to overtime and inmate pay.

DP 600030 - MSP Infirmery Medical Equipment (OTO) -

The legislature funded dental and optical equipment replacement costs at the Montana State Prison infirmery. This funding was designated as one-time-only.

DP 600444 - Statewide 4% FTE Reduction -

The 2015 biennium budget included a 4% vacancy savings reduction. Language included in the boilerplate of HB 2 passed by the 2013 Legislature, indicated legislative intent that the 4% vacancy savings be made permanent as an FTE reduction for the 2017 biennium. This change package includes a reduction of 1.00 FTE each year.

New Proposals

The "New Proposals" table shows the adopted changes from the FY 2015 legislative appropriation. Each is discussed in the narrative that follows.

New Proposals	-----Fiscal 2016-----					-----Fiscal 2017-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
DP 600033 - Medical Co-Pay State Special Authority	0.00	0	208,900	0	208,900	0.00	0	208,900	0	208,900
Total	0.00	\$0	\$208,900	\$0	\$208,900	0.00	\$0	\$208,900	\$0	\$208,900

*"Total Funds" amount includes funding from sources other than General Fund, State Special, or Federal Special (i.e. Proprietary).

DP 600033 - Medical Co-Pay State Special Authority -

The legislature approved funding to implement a medical/dental co-payment program for inmates within the prison system. The legislature designated the copayment funds as restricted to inmate medical costs.